FBIS DAILY REPORT

CONTENTS

Latin America

Vol VI No 127 *30 June 1980*

INTER-AMERICAN AFFAIRS

New Integration Organization Created To Replace LAFTA A 1

BOLIVIA

President Gueiler Reiterates Gratitude to People C 1
Electoral Court Informs Gueiler of Officials' Meddling C 1
Voting Off to Slow Start; Irregularities 'Scarce' C 2
Siles Zuazo 'Virtual Winner' C 2
Holding Lead C 2
Santa Cruz Violence C 3
ADN Leading in Santa Cruz C 3
ADN Leads in Cochabamba C 3
Bomb Explodes in Tupiza MNRA Office, No Casualties C 4
Paz Says Military Planning To Sabotage Elections C 4
Order Guaranteed C 4
Troops Garrisoned C 5
COB Places Workers on State of Emergency C 5
EL DIARIO Warns of Grave World Economic Crisis [24 Jun] C 5

BRAZIL

Major Weapons Purchase by Saudi Arabia Announced D 1
Intervention of Sao Paulo Metalworkers Union Lifted D 1
Acts of Violence Reported in Three Cities D 1
Planning Minister Neto Reviews Economic Problems D 1
Government Approves Crop Subsidy for 1980-1981 D 2
[O ESTADO DE SAO PAULO 26 Jun]
Briefs: Trade Deficit D 2

CHILE

Brazilian Foreign Minister Arrives for Official Visit E 1
Guerreiro Notes Strong Ties E 1
Meets With Pinochet E 1
Rojas Discusses Talks E 2
Figueiredo Visit Announced E 2
Bombing, Shooting Incidents Reported in Santiago E 2
Central Bank Head Says Inflation Under Control E 3
Briefs: Inflation, Exchange Rates; New Oil Platform; E 3
Arrival of French Mirages

PARAGUAY

Gonzalez Delvalle Scheduled for Questioning 30 Jun H 1
[ABC COLOR 27 Jun]
LA TRIBUNA Criticizes U.S. 'Interference' in Gonzalez Case H 1
[27 Jun]

Alleged Uprising Leader Granted Asylum in Panama [HOY 27 Jun] H 2
Briefs: OLADE Membership Ends H 2

PERU

Prime Minister Says Armed Forces Support Belaunde J 1
No Top-Level Military Command Changes Foreseen J 1
Morales Bermudez Discusses Status of Newspapers J 1
New Nuclear Agreement With U.S. Lauded J 1
Doctors Threaten To Radicalize Strike J 2
Briefs: Fishing Agreement With Japan J 2

MEXICO

High-Level Nicaraguan Delegation Arrives for Talks M 1
Extradition of Somoza Officials [Havana Domestic] M 1
Transnationals Warned Against Interference M 2

PANAMA

El Salvador's Majano Visits To Talk With Torrijos N 1
Torrijos Apologizes [CRITICA 28 Jun] N 1
Majano News Conference N 2
Airport Interview N 3
Loan Agreement With Japan To Be Signed in New York N 4
[MATUTINO 26 Jun]
Debate on Problems of Party System Urged N 5
Briefs: New Port Authority Director N 6

CENTRAL AMERICA

Foreign Ministers of 'Northern Triangle' To Meet 9 Jul P 1

COSTA RICA

Bowdler To Attend Conference on Cuban Refugees P 1
Deputy Calls for Probe of Illegal Arms Traffic P 1
Minister Denies Knowledge P 2

EL SALVADOR

Charges Withdrawn Against Panama in Arms Case P 2
High-Level Government Mission To Tour Europe P 3
[LA PRENSA GRAFICA 24 Jun]
Army Continues To Occupy University, Patrol Streets P 3
Managua Details Violence P 4
Government Communique P 4
Press Barred From Campus P 5
Army Continues Search P 5
Bodies, Munitions, Propaganda Found P 6
[LA CRONICA 28 Jun]
'Clandestine Cemetery' Discovered P 7
'Secret Tunnel' Escape Route P 7
Explosions, Fire at University P 8
Anticommunist Army Bombs Jesuit-Run University P 8

GUATEMALA

Labor Minister Asks Respect for Kidnapped Leaders' Lives P 8

HONDURAS

Massacre Charge Affects Church-State Relations P 9

NICARAGUA

Ortega Doubts U.S. Intervention in El Salvador P 10
Plans To Refine Mexican Crude Under Discussion P 10
Junta Members Postpone Visit to Costa Rica P 10
Borge Denies Giving Financial Help to Costa Rican [BARRICADA 22 Jun] P 11
State Council Approves Bill on Oil Price Hike P 11
Plan To Draft New Labor Code Approved P 11
Government Junta Nationalizes U.S.-Owned Factory [Havana Domestic] P 12
Briefs: Ambassadors' Credentials; Netherlands Loan; Oil Consumption Costs P 12

CUBA

GRANMA Reports 2-Day Mariel Departures, Arrivals Q 1
26 Jun Total Q 1
27 Jun Total Q 1
Castro Calls for Nonaligned Solidarity With Angola Q 1
Amended 1976-80 Trade Protocol With USSR Ratified Q 1
USSR Deputy Foreign Trade Minister Visits Q 2
Science-Technology Cooperation Protocol With PDRY Signed Q 2
CEMA Meeting on Monetary-Financial Affairs Ends Q 2
Malmierca Arrives in Romania on Official Visit [cross-reference] Q 2

CARIBBEAN

BARBADOS

Adams Holds Press Conference on Return From PRC [ADVOCATE-NEWS 25 Jun] S 1

JAMAICA

Prime Minister Manley Address Supporters' Rally [Havana Domestic] S 1
Seaga 'Deeply Suspicious' of Thwarted Coup [DAILY GLEANER 24 Jun] S 2
JLP Issues Statement Opposing Coup Attempts [DAILY GLEANER 24 Jun] S 3
JDF's Neish Reveals Details of Failed Coup [DAILY GLEANER 24 Jun] S 5
Seven Soldiers Charged S 7
Moonex Manager Hart Arrested, Charged [DAILY GLEANER 24 Jun] S 7

NEW INTEGRATION ORGANIZATION CREATED TO REPLACE LAFTA

PA281536 Madrid EFE in Spanish 2214 GMT 27 Jun 80

[Text] Acapulco, Mexico, 27 Jun (EFE)--The Latin American Integration Association [ALADI] was created here today after the Latin American Free Trade Association [LAFTA] officially announced its formation. The "birth certificate" of the new association will be formalized at a meeting to be held in Montevideo in July.

It was said here that LAFTA died when its functions were paralyzed, and its death announcement coincided with nightfall in this Mexican beach resort where intensive negotiations were held for 11 days to create ALADI. However, ALADI's creation was not simple.

If the 11 countries attending the 19th special LAFTA meeting were in agreement on the need to reorganize the organization, they did not agree on the manner in which it should be done. In the end, those who wanted to draft a treaty adhering to the concept of a new organization with more modest goals than those of LAFTA--goals which should lead with greater assurance to the final Latin American integration--prevailed.

For the moment, according to experts meeting here, the most important new element included in the new juridical instrument is the one dealing with "limited range agreements," which will allow expandable bilateral negotiations and may give rise to a series of regional agreements. This new provision can facilitate interregional trade, since tariff preferences between two countries can exclude others who also have the option to join them.

The treaty in itself is a considerable inovation because, according to its authors, it is a "document-framework" which hopes to indicate the general lines of regional commerce, but without entering into a detailed regulation which could become an obstacle for its development. The treaty describes what will be a "region of tariff preferences," instead of the "free trade region" sought by LAFTA nad whose failure had so much influence in the disappearance of the organization created by the Montevideo treaty.

According to integration technicians, it is a step back, but it could solidify the expectations of a tariff union, or even a common market, during the beginnings of the coming century. At any rate, the ALADI will be based on principles of pluralism, flexibility, convergence, variable treatment and agreements among its members. In this manner, the main residue of LAFTA, the so-called "historical heritage," will be extended by means of negotiations, which will develop during 1981 and according to which the concessions granted during the past 20 years will be renewed, eliminated or renegotiated.

Another problem which must be solved is that of the LAFTA payroll, made up of some 200 persons living in Montevideo.

The 19th special LAFTA meeting began last 16 June in this port located 411 km southwest of the Mexican capital.

PRESIDENT GUEILER REITERATES GRATITUDE TO PEOPLE

PY292141 La Paz Radio Fides in Spanish 2100 GMT 29 Jun 80

[Text] President Lidia Gueiler has had the kindness to say a few words directly from election headquarters. These are the president's words:

[Begin Gueiler recording] I wish to thank you for giving me this opportunity, and I again wish to repeat my eternal thanks to, in the first place, this marvelous people, because it is their victory and because I as president have done nothing but implement what the people desire, supported by my Cabinet. I hope that these marvelous people get the president that they deserve and that he will lead them along the correct path toward social justice.

I am very happy today, and I say especially to the women, whom I have represented with great sacrifice, that I sincerely hope that they are also happy because a woman has carried out her duty to her people and has reached this very important moment. I send cordial greetings to my fellow Bolivians. [end recording]

ELECTORAL COURT INFORMS GUEILER OF OFFICIALS' MEDDLING

PY271405 La Paz Radio Panamericana Network in Spanish 1130 GMT 27 Jun 80

[Excerpts] Members of the national Electoral Court reported to President Lidia Gueiler Tejada, in a letter handed to her personally, that some of her immediate coworkers--that is, ministers, prefects, mayors and subprefects--are being partial in exercising their functions during the present electoral process.

The letter delivered to the president says that the charges have been made by the candidates Roberto Jordan Pando and Guillermo Bedregal and also by ([name indistinct] Ondarza) and Guillermo Fortun. Another paragraph of the letter says: The national Electoral Court expresses to you its deep concern at the constant charges made by representatives of political parties, fronts and coalitions at each meeting granted them by the court.

It is made clear, however, that some of the charges lack documentary proof, but that the number of charges made until today is alarming. The letter also says that copies of several of the charges were submitted to the executive branch at the time they were made.

The letter concludes: The national Electoral Court requests you to notify the ministers to abstain from exercising political influence in the elections to be held on 29 June and to instruct prefects, subprefects and mayors to abstain from assuming postures which are against the stipulations of the Electoral Law which is the basis of this process.

As a reply the president said the following:

[Begin Gueiler recording] All this has, in fact, been passed on to the Interior Ministry and my government has given the appropriate instruction. Furthermore, the interior minister has asked the ministers to provide the Electoral Court with vehicles. I feel absolutely certain that all the ministers will respond to the image of the government which is wholly impartial, and I believe that this is the best guarantee we can give. We are working, of course, toward the goal of being together as a team on Sunday--all the Cabinet--and doing all we can to assure the people tranquillity in the first place and also to provide them with information in accordance with the reports we receive from the Electoral Court. [end recording]

VOTING OFF TO SLOW START; IRREGULARITIES 'SCARCE'

PY292017 Paris AFP in Spanish 1948 GMT 29 Jun 80

[Text] La Paz, 29 Jun (AFP)--It has been reported here that the majority of the Bolivians voting in today's general elections cast their votes this afternoon because the morning voting was not up to what had been expected.

According to reports received in La Paz, people throughout the country began to turn up after noon to cast their votes. Charges of irregularities have been very scarce, and the voting has been carried out normally up to 1720 GMT.

It is nevertheless expected that there will be more than 1.5 million Bolivians voting today. The electoral lists register just over 2 million voters. The Bolivian press has explained that the delay of the voters is due to the terrorist campaign that has been unleashed during the past few weeks throughout the country, a campaign that has taken the lives of five people in a month.

Siles Zuazo 'Virtual Winner'

PY300224 Paris AFP in Spanish 0145 GMT 30 Jun 80

[Excerpt] La Paz, 29 Jun (AFP)--Vote returns at 2000 local time (0000 GMT) showed that Hernan Siles Zuazo, the center-leftist leader of the People's Democratic Union is the virtual winner of the presidential elections held today throughout Bolivia.

Former dictator Hugo Banzer is close behind, vying for second place with Victor Paz Estenssoro, candidate of the National Revolutionary Movement. Many polls had Paz Estenssoro the certain winner because of the official nature of his candidacy, because of the paternalistic image given to his candidacy and because during the election campaign there were many charges of fraud against him.

Vote counts at 0000 GMT gave 36.5 percent to Hernan Siles Zuazo, 23 percent to Hugo Banzer; 13 percent to Victor Paz Estenssoro, and 9.5 percent to Marcelo Quiroga Santacruz, leader of Socialist Party One.

Holding Lead

PY301307 Paris AFP in Spanish 1248 GMT 30 Jun 80

[Text] La Paz, 30 Jun (AFP)--Hernan Siles Zuazo is strengthening his position as the winner by relative majority in the Bolivian general elections according to the unofficial count of 802,016 votes.

The Electoral Network, a private organization of radio stations and newspapers, delivered the following results as of 1200 GMT:

1.	Hernan Siles Zuazo:	272,271 votes,	33.95 percent
2.	Hugo Banzer Suarez:	155,954 votes,	19.45 percent
3.	Victor Paz Estenssoro:	115,396 votes,	14.39 percent
4.	Marcelo Quiroga Santacruz:	91,775 votes,	11.40 percent
5.	Luis Adolfo Siles Salinas:	19,910 votes,	2.48 percent

Santa Cruz Violence

PY292046 La Paz Radio Panamericana Network in Spanish 2006 GMT 29 Jun 80

[Relay from Santa Cruz]

[Excerpt] There have been several violent incidents during the day, but they were not serious. They caused concern among the electorate. Nevertheless, the atmosphere cleared when everything returned to normal, and balloting continues without any major problem. There has been a report of a violent clash in the district of (Villa Perin) between groups belonging to the People's Democratic Union and the National Revolutionary Movement. Fisticuffs were exchanged, and someone began shooting. It is said that one person was injured in the clash.

ADN Leading in Santa Cruz

PY300242 La Paz Radio Panamericana Network in Spanish 0220 GMT 30 Jun 80

[Relay from Santa Cruz; all figures as heard]

[Text] Official details have been released by the departmental Electoral Court. The returns from 47 balloting booths have been released and are as follows:

People's Democratic Union	UDP	1,753
National and Democratic Action	ADN	3,420
United National Revolutionary Movement	MNR-U	186
National Revolutionary Movement	MNR	2,166
National Alliance of Leftist Forces	AFIN-MNR	49
Socialist Party One	PS-1	611
Bolivian Unity Party	PUB	38
Authentic Revolutionary Party	PRA	168
National Revolutionary Party of the Left	PRIN	42
Tupac Katari Indian Movement	MITKA	171
Bolivian Socialist Falange	FSB	293
Tupac Katari Indian Movement One	MITKA-1	23
Blank		243
Null		262

This makes a total of 9,421 votes that have been counted; 3,751 persons did not vote.

ADN Leads in Cochabamba

PY300050 La Paz Radio Difusora Cristal in Spanish 0030 GMT 30 Jun 80

[Relay from Cochabamba]

[Excerpt] The following is the vote count issued by the local Electoral Court. Out of 75 voting tables that have been scrutinized in Cochabamba, this is the count:

National Democratic Action	ADN	3,885
People's Democratic Union	UDP	3,593
Socialist Party One	PS-1	1,715
National Revolutionary Movement	MNR	1,136
New Alternative Revolutionary Democratic Front	FDR-NA	597
Bolivian Unity Party	PUB	266
Authentic Revolutionary Party	PRA	915
United National Revolutionary Movement	MNR-U	100
National Revolutionary Party of the Left	PRIN	94

Tupac Katari Indian Movement	MITKA	101
Bolivian Socialist Falange	FSB	170

BOMB EXPLODES IN TUPIZA MNRA OFFICE, NO CASUALTIES

PY271622 La Paz Radio Panamericana Network in Spanish 1700 GMT 27 Jun 80

[Text] A report has arrived from Tupiza on a new terrorist attack which, fortunately, did not claim any victims. The report says that a bomb totally destroyed the offices of the National Revolutionary Movement Alliance. The explosion took place at 0400 this morning. The people of Tupiza have repudiated the deed and asked for a thorough investigation of the case in order to put an end to the terrorist attacks.

PAZ SAYS MILITARY PLANNING TO SABOTAGE ELECTIONS

PA290410 Paris AFP in Spanish 0354 GMT 29 Jun 80

[Text] La Paz, 28 Jun (AFP)--Victor Paz Estenssoro, three times president of the republic and present candidate for the presidency, has reported that some top army officers have decided to "suspend the 29 June general elections."

According to Paz Estenssoro, Col Rolando Canido, chief of the regiment in Puerto Suarez on the border with Brazil, has decided "on his own authority to suspend the elections in that area."

"Similarly, the naval unit in Quijarro, on the border with Paraguay, also took measures to prevent the elections from taking place," Paz Estenssoro concluded in his report to the AFP office in La Paz.

Order Guaranteed

PY280138 La Paz Radio Panamericana Network in Spanish 0000 GMT 28 Jun 80

[Text] The armed forces general command, with regard to the recent terrorist acts that have taken place in the country, has released the following communique:

The armed forces of the nation strongly condemn any terrorist act and reiterate their firm resolve to enforce peace and order in the national territory and to guarantee the security of all Bolivian homes. They also call on the people to remain calm and use good sense in view of provocations by people who advocate division and bloodshed in the country. The armed forces also state their desire to cooperate in the investigations of these anti-Bolivian activities so that laws are strongly and quickly applied to the people responsible and to those who encourage these inhuman acts.

Gen Armando Reyes Villa, commander in chief of the armed forces, also released the following communique:

The Bolivian people find themselves confronting a historic commitment. They must choose their destiny and demonstrate that they want to establish a state of law to peacefully develop their activities. To reach this objective, there is a need, now more than ever, to show common sense and serenity. Nothing is gained through violence as this creates hate and dangerously divides the Bolivian people. Therefore, in the name of the armed forces, I ask the people to remain calm, to contribute with their efforts to peace and understanding among all. The future of the country depends on the attitude of the people, the chief of the armed forces states in conclusion of his declaration to the Bolivian people.

Troops Garrisoned

PA291306 Paris AFP in Spanish 1241 GMT 29 Jun 80

[Text] La Paz, 29 Jun (AFP)--The Bolivian Armed Forces will guarantee today's elections in which the president, vice president, 27 senators and 127 deputies will be elected for the 1980-85 term, it was officially announced here today.

The troops have been garrisoned since 0000 Sunday as a "precautionary measure," it was stated in the high command.

Bolivian laws prohibit the soldiers from voting while displaying political slogans. However, the officers, noncommissioned officers and troops of the armed forces may vote in uniform without carrying weapons and with the specific obligation of remaining at the polls just long enough to vote. Subsequently, they must return to their garrisons where they will remain until Monday.

COB PLACES WORKERS ON STATE OF EMERGENCY

PA291409 Paris AFP in Spanish 1345 GMT 29 Jun 80

[Text] La Paz, 29 Jun (AFP)--The Bolivian Labor Federation (COB) today placed 500,000 Bolivian workers on a state of emergency "to guarantee the holding of general elections," it was reported in a labor communique issued here today.

The COB warns Bolivian workers to "remain alert throughout today's election to prevent the provocations and ultrarightist attempts" so that "the Bolivian people freely express their democratic will."

The COB reiterated today that "in case of an antidemocratic coup d'etat in Bolivia, a general strike will immediately and automatically begin in the mines, oilfields and factories throughout the country. All public services will be suspended, except for emergency services, and streets, highways, railroads and airports will be blocked."

The COB communique invites all workers and their families to participate in the elections so that "the orderly and peaceful mobilization of the people will allow them to remain watchful and vigilant to defend their legitimate right to self-determination."

The workers' mobilization ordered by the COB indicates that Bolivian workers today, when there is no work, must "have the patriotic duty of keeping their eyes and ears open to detect any antidemocratic attempt."

Some 2 million Bolivians may participate in today's general elections.

Only some maintenance, industrial and foundry workers are working today in Bolivia since it is Sunday.

EL DIARIO WARNS OF GRAVE WORLD ECONOMIC CRISIS

PY271814 La Paz EL DIARIO in Spanish 24 Jun 80 p 2

[Editorial: "The Dangerous Recession"]

[Text] For some time now there have been symptoms of a dangerous economic recession. This fear was confirmed when, in Venice, very clear remarks were made by the heads of the governments that have the greatest influence in the world's economic sector.

If the crisis that is emerging throughout the world is added to the conflicts of a political nature, then it is not very difficult to arrive at a pessimistic conclusion regarding humanity's future.

The first reactions to the summit meeting agree on one point: the danger to the world's economy. The chiefs of state of the most important powers have expressed discouraging opinions, and everything seems to point to the fact that each individual party will make the effort of trying to take important steps to relieve the situation which, as we said above, is becoming ever more difficult due to other ingredients such as the drive by some powers for a greater ideological expansion, the unleashed ambitions for world leadership and the desire to destabilize one another.

It is natural that the first concern of the heads of state who met at the "summit" is the price of oil, the decline in the principal stocks of their oil and derivatives and the freeze policy of those who have in their hands this precious raw material which they manage with large doses of political interference. Thus, one of the reactions of the U.S. President was directed against this policy when he condemned the recent price increase ordered by OPEC, and this was immediately supported by the French president, who said: "The oil consumer countries must separate economic development from oil consumption so that the ups and downs of oil supply and prices will have less harmful effects." It is therefore clear that one of the factors leading to greater economic and political disturbances is linked to oil: the policy that is being followed, due to OPEC, regarding oil and the great influences, with harmful trends, that surround this raw material which undoubtedly is very valuable for the development of nations.

The other economic-financial problems are in line with those mentioned above. They are intrinsically linked with raw materials, their gradual depletion, the lack of prospects for replacing them, the decline in food reserves in many parts of the world and the consequent state of hunger for millions of individuals. The total sum of these evils can, in the short term, cause another economic recession with serious consequences for a large part of humanity. It is natural that the first effect will be the unemployment of masses of workers with its attendant hunger and misery, something that has happened in the past; and it has caused uprisings which have had unsuspected consequences for the political stability of nations.

Now is the time that the great statesmen, really qualified economists and men of good will should contribute to the solution of this serious situation. Moreover, political-ideological interests will play a very important role and a wary eye will have to be kept on the actions of totalitarian regimes, which are absolutely inhuman and which act without scruples on these occasions. Whatever is said and done during the summit meeting will not give guidelines regarding the sincerity of some of the statesmen and the purposes that encourage them to face this new economic danger.

MAJOR WEAPONS PURCHASE BY SAUDI ARABIA ANNOUNCED

PY261327 Porto Alegre Radio Guaiba in Portuguese 1200 GMT 26 Jun 80

[Text] Sao Jose dos Campos--A high-ranking military source has stressed that the Brazilian armaments industry has the chance of making its largest armaments deal to date, and with only one client.

The deal will be carried out with Saudi Arabia and could possibly amount to more than $100 million in its first stage.

According to the source, an Arab military delegation on Tuesday visited the aerospace complex and the armament industries of Sao Jose dos Campos, where they closed a deal for the purchase of weapons.

INTERVENTION OF SAO PAULO METALWORKERS UNIONS LIFTED

PY281816 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 28 Jun 80

[Text] Labor Minister Murilo Macedo has announced that the government will lift the intervention of the unions of metalworkers of Sao Bernardo and Santo Andre as of the end of June. He added that he will appoint an executive board made up of metalworkers which will be charged with calling elections for the new board members.

ACTS OF VIOLENCE REPORTED IN THREE CITIES

PY280344 Sao Paulo Radio Bandeirantes Network in Portuguese 0200 GMT 28 Jun 80

[Text] Three attacks which took place today in different states will have great repercussions in tomorrow's newspapers.

The first attack took place in Belo Horizonte where a powerful bomb exploded in the house of a Minas Gerais journalist, site of the professional journalists union. The perpetrators of the attack spray-painted slogans on the wall saying: Here is the den of communists, and, long-live the anticommunist pope.

In Curitiba, unidentified persons raided the office of Deputy (Gino Quirino), burned papers and took several briefcases with documents. (Quirino), former coordinator of the Parana State land pastoral, has been concerned about the fate of small farmers and rural state workers.

The last attack, and the most serious one, took place in Rio de Janeiro at the auditorium of the financial administration school located on the 7th floor of the Finance Ministry. The fire started here from unknown causes but did not spread to other rooms owing to the immediate action of officials who activated the extinguisher system. Planning Minister Delfim Neto was holding a meeting with businessmen on the 7th floor, while Minister Helio Beltrao was getting ready to give a lecture on the 10th floor.

PLANNING MINISTER NETO REVIEWS ECONOMIC PROBLEMS

PY281932 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 28 Jun 80

[Excerpts] At a meeting with 18 businessmen in his Rio de Janeiro office, Planning Minister Delfim Neto has announced that wheat subsidies will be reduced now and that oil subsidies will also be discontinued in September.

Neto said that Brazil now has a high inflation which will begin to drop. He said: If we took this semester as a reference, inflation is already declining. If we could discontinue all subsidies now inflation would drop drastically in 6 months. While we unfortunately cannot do that major subsidies are already being eliminated.

Neto said that Brazil is coping simultaneously with three major problems: first: inflation which he believes is already being reduced; secondly, the balance of payments, which is now going quite well since exports are estimated at between $20 and $25.5 billion, while imports are also estimated at [figure indistinct]. He expressed his full confidence in the entry of foreign capital and reported that contracts for more than $3 billion were signed as of early June.

The third major problem is energy. Neto said that by 1984-1985 Brazil will have a petroleum supply of 500,000 barrels per day and that its production of alcohol and coal at that time will be equivalent to 170,000 and 130,000 barrels of oil daily.

GOVERNMENT APPROVES CROP SUBSIDY FOR 1980-1981

PY271448 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Jun 80 p 32

[From the Brasilia agency]

[Excerpt] The National Monetary Council (CMN) yesterday approved the new basic production cost [valores basicos de custeio--VBC--for financing agricultural production per unit land]--for the planting of the 1980-1981 harvest, which includes average readjustments of more than 100 percent. At the same time greater restrictions have been imposed on the granting of rural loans for soybean planters and large farmers in other words, for those who made a profit of over 5 million cruceiros from agricultural production. The reimbursements to be made by PROAGRO [expansion unkown--has to do with agricultural insurance] in the case of a harvest loss, as of now will only cover 80 percent of the loan, against 100 percent for the last harvest.

Agriculture Minister Amaury Stabile has asserted that the restrictions imposed on the large farmers, who will have the right to 80 percent of the VB by way of financing their costs, should not provoke any great alteration in the expansion of agricultural production because they represent only 4.4 percent of the farmers that received financing last year. Thus, he maintains his forecast that there will be a 5 percent increase in planting: This will cause an increase of 4 to 5 million tons of grain on the market in 1981. This year's harvest amounted to 52 million tons.

The cost financing will amount to 220 billion cruceiros, 40 billion cruzeiros more than the budget of 179 billion cruzeiros [figures as published]. Finance Minister Ernane Galveas has said that the government is studying two alternatives for covering this 40-billion cruceiro deficit.

BRIEFS

TRADE DEFICIT--During the period January-May 1980 the Brazilian trade balance accrued a deficit amounting to $1,814,700,000. Finance Minister Ernane Galveas' forecast of a $48-million surplus in May's trade balance was not achieved. Exports amounted to $1,925,500,000; thus, the profit amounted to only $10.5 million. [Porto Alegre Radio Guaiba in Portuguese 1200 GMT 26 Jun 80 PY]

BRAZILIAN FOREIGN MINISTER ARRIVES FOR OFFICIAL VISIT

PY262156 Paris AFP in Spanish 1912 GMT 26 Jun 80

[Text] Santiago, Chile, 26 Jun (AFP)--Brazilian Foreign Minister Ramiro Saraiva Guerreiro arrived at 1440 local time (1840 GMT) here today on an official 3-day visit to Chile.

Saraiva Guerreiro was welcomed at the Merino Benitez international airport by his Chilean counterpart, Rene Rojas Galdames, with whom he will hold several working meetings beginning today, and which will end on Saturday with the signing of a joint declaration.

Guerreiro Notes Strong Ties

PY271426 Santiago Chile Domestic Service in Spanish 1100 GMT 27 Jun 80

[Excerpts] Brazilian Foreign Minister Ramiro Saraiva Guerreiro and his large entourage arrived yesterday in Santiago aboard Varig flight No 922. Chatting briefly with journalists, he said that Chile and Brazil have many plans for future undertakings and that there are possibilities of cooperation for the well-being of both parties.

[Begin Saraiva recording] I am very pleased to be in Santiago, Chile. This is a very happy time for all of us since our two countries have always had strong ties of friendship and also because Chile and Brazil have many plans of future joint undertakings and there are many possibilities of cooperation for the well-being of both parties. I, therefore, believe that this is a very important visit. Let me express my great admiration for the Chilean nation. [end recording]

Asked whether Brazil is not implementing a political offensive, he said that it is not a political offensive but rather a campaign of friendship and good will.

The Brazilian and Chilean foreign ministers yesterday held their first work meeting in the Red Room of the Foreign Ministry. Accompanied by their advisers, they discussed bilateral issues and exchanged opinions on international affairs. The visiting Brazilian diplomat later held a meeting at the supreme court building with Jose Maria Eizaguirre, acting Supreme Court president.

During a reception held at the Coutino Palace by Chilean Foreign Minister Rene Rojas Galdames in honor of his Brazilian colleague, Ramiro Saraiva Guerreiro was decorated with the Bernardo O'Higgins Cross. In their speeches delivered during the ceremony, both foreign ministers expressed that they are confident that their meetings will strengthen even more the present level of diplomatic relations and cooperation between both countries.

Meets With Pinochet

PY271846 Buenos Aires LATIN in Spanish 1648 GMT 27 Jun 80

[By Rene Oviedo]

[Excerpt] Santiago, Chile, 27 Jun (LATIN)--Brazilian Foreign Minister Ramiro Saraiva Guerreiro today held a 30-minute meeting with Chilean President Augusto Pinochet during which they discussed bilateral issues.

Pinochet and his Brazilian guest lunched at Government House with Chilean Foreign Minister Rene Rojas Galdames, Brazilian Ambassador Raul de Vicenzi, Chilean Ambassador Fernando Zegers, and members of Saraiva's entourage.

Prior to this, Saraiva held a second meeting with Chilean Foreign Minister Rene Rojas. According to local diplomatic sources, among the subjects discussed at this meeting were the plans to install in Brazil a Chilean copper refinery and the construction in Chile of a Brazilian aluminum factory.

They also discussed prospects that may interest Brazilian financiers in the exploration and exploitation of natural gas and oil in the Strait of Magellan, located 2,500 km south of Santiago.

Rojas Discusses Talks

PY281345 Santiago Chile Domestic Service in Spanish 1100 GMT 28 Jun 80

[Excerpts] Foreign Minister Rene Rojas reported that he studied bilateral relations with his colleague Ramiro Saraiva Guerreiro during their two private meetings in this capital. He added that during the meetings it was found with satisfaction that the relations on the social and economic levels have made progress and that there are great possibilities of broadening them further in the near future.

The Chilean Foreign Minister also said that he studied general Latin American problems and the world situation with his Brazilian counterpart. The foreign ministers also installed the commission for bilateral cooperation during a ceremony held at the Andres Bello diplomatic academy. On that occasion Foreign Minister Rene Rojas stressed that cultural relations emphasize the historic friendship uniting Chile and Brazil.

The Brazilian foreign minister will return home today after signing a joint declaration with his Chilean counterpart in the Red Room of the Foreign Ministry. On that occasion the exact date will be given for President Joao Baptista Figueiredo's visit to this country.

Figueiredo Visit Announced

PY281735 Paris AFP in Spanish 1557 GMT 28 Jun 80

[Text] Santiago, 28 Jun (AFP)--Brazilian President Joao Baptista Figueiredo will visit Chile from 8-10 October, it was officially reported here today. The announcement was made at the end of the 3-day talks held here by Brazilian Foreign Minister Ramiro Saraiva Guerreiro.

The Brazilian Foreign Minister and his Chilean counterpart, Rene Rojas Galdames, today signed a joint declaration in which they outlined the views shared by their countries both on international issues and in the area of bilateral cooperation. In addition to announcing President Figueiredo's visit, the document also states that the Chilean foreign minister will visit Brazil at a date to be set through diplomatic channels.

With the signing of this declaration, Saraiva Guerreiro ended his official activities in Santiago which included a meeting with President Augusto Pinochet. He will return to Brazil within the next few hours.

BOMBING, SHOOTING INCIDENTS REPORTED IN SANTIAGO

PY271504 Santiago Chile Domestic Service in Spanish 1100 GMT 27 Jun 80

[Text] Unknown persons threw a Molotov cocktail at industrialist (Miguel Canales Losito's) house at 4070 Luis Ballador St in the San Miguel neighborhood. The bomb only damaged a Peugeot that was parked in the house's yard.

It is believed that three workers who were fired last week from Miguel Canales' factory are the perpetrators of the attack. They are: (Roberto Rojas), (Fabian Hernandez) and (Hugo Torres), all of whom are being sought by police.

The police are also investigating another strange attack. Three unknown persons who were in a red (?Ochimin) car fired shots at the central clinic building located at 362 San Isidro St in Santiago. Two bullets hit the main door and a third one hit a parked car. The directors of the clinic said they did not know the motives for this attack.

CENTRAL BANK HEAD SAYS INFLATION UNDER CONTROL

PY271854 Santiago Chile Domestic Service in Spanish 1100 GMT 27 Jun 80

[Text] Alvaro Bardon, president of the Central Bank of Chile, has said that Chilean trade this year will surpass $10.5 billion, that inflation is technically under control and that the time has come to start changing the international exchange law.

In a press conference, Alvaro Bardon noted that in the first 5 months of the year Chilean exports increased by 45 percent and imports by 50 percent. He added that if this trend continues, Chilean trade in 1980 will total about $10.5 billion. He noted that at any rate it is estimated that export figures will surpass import figures by $732 million. He noted, however, that gross foreign reserves total $3,478,000,000, while net reserves--that is, discounting short-term payments--total $1,470,000,000. He also said that the increase of circulating money is within central bank estimates. He added that all this, in addition to a balanced budget and the purchase of dollars or other currencies that enter the country, shows that inflation in Chile is technically under control.

BRIEFS

INFLATION, EXCHANGE RATES--Alvaro Bardon, president of the Chilean Central Bank, said today that the inflation rate this year will total 28 percent. Moreover, he said that he believes the dollar exchange rate should stay the same, 39 Chilean pesos per dollar, because trade figures until May registered a deficit of $100 million while gross reserves total $3.4 billion. He added that Chilean production must increase by 8 percent, and that employment will continue to increase by 3 to 4 percent per year. He noted that it is very unlikely that the Chilean economy will experience any changes. [Santiago Chile Domestic Service in Spanish 1730 GMT 25 Jun 80 PY]

NEW OIL PLATFORM--Punta Arenas, Chile, 25 Jun (AFP)--It was officially reported here today that the first mobile platform for submarine oil prospecting built in Chile was commissioned today. [Paris AFP in Spanish 0413 GMT 26 May 80 PY]

ARRIVAL OF FRENCH MIRAGES--Santiago, Chile, 27 Jun (AFP)--It was reported here that the first of 16 French Mirage aircraft purchased from France by the Chilean Air Force arrived here on Thursday aboard a special transport aircraft. This is a flight instruction aircraft. The other planes will arrive in Chile in the first week of July. [Paris AFP in Spanish 1123 GMT 27 Jun 80 PY]

GONZALEZ DELVALLE SCHEDULED FOR QUESTIONING 30 JUNE

PY271911 Asuncion ABC COLOR in Spanish 27 Jun 80 p 13

[Excerpt] First Criminal Judge Sixto Milciades Rivas Soler yesterday summoned Alcibiades Gonzalez Delvalle to appear in court next Monday at 0830 to attend a hearing in which he will be questioned on charge of having allegedly violated Law 209 brought against him by Attorney General Clotildo Gimenez Benitez.

The hearing for Gonzalez Delvalle's questioning was set at the request of Francisco Jose de Vargas, counsel for the defense and legal adviser of the Paraguayan Union of Journalists.

LA TRIBUNA CRITICIZES U.S. 'INTERFERENCE' IN GONZALEZ CASE

PY292016 Asuncion LA TRIBUNA in Spanish 27 Jun 80 p 8

[Editorial: "Strange Declaration"]

[Text] We publish in this issue an AFP dispatch saying that "the U.S. Government is 'quite concerned' about the arrest of Paraguayan journalist Alcibiades Gonzalez Delvalle in Asuncion." The dispatch also says that, according to official spokesman Tom Reston, "Gonzalez Delvalle was arrested yesterday, Wednesday, for having written an article that, according to the authorities, 'incited civil disobedience against the government of Gen Alfredo Stroessner.'"

The information carried in that report is really strange. In the first place, it is strange because of the procedure of resorting to a public declaration to express a concern which, if it does exist and is legitimate, has diplomatic channels open for its conveyance. In the second place, the information is strange because it shows the misinformation affecting the U.S. Department of State. It is difficult to believe that this department is misinformed, but we must admit the possibility to avoid attributing to that department an invention to distort facts regarding Gonzalez Devalle's case, since Gonzalez Delvalle has at no time written to call for disobedience to the government of General Stroessner.

The crime of which he has been accused by the state prosecutor's office has to do with expressions--clearly inappropriate--made by him and giving his points of view regarding a court process; they did not, however, convey any open political intention. The problem was, in fact, debated, studied and solved centuries ago. Saint Thomas Aquinas dedicated himself to it and one of the latest legal-philosophical works dealing with it was Gustavo Radbruch's "legal arbitrariness and justice beyond the law."

But this is not the question we are dealing with.

The alarming thing is the casual way in which a clear interference in the domestic affairs of a state is expressed. To tell the truth, U.S. diplomacy has never been characterized by finding the poise to make it outstanding; it has always oscillated between brutal frankness and the more dangerous naivete.

But the report also adds other highly interesting information. It says that the newsman indicated today had the opportunity during his visit to the country of the north to meet "a number of high state department officials," as reported by the UPI news agency.

What happened at those unpublicized meetings? And what is the reason for all this attention on the part of those officials, since it is known that such attention is not paid either lavishly or easily?

If this report and these objective facts are seen in relation to the unquestionable diligence with which the State Department sponsors visits by local politicians representing well-defined sectors which are openly adverse to the government, we can only draw the legitimate conclusion that well-defined interests are at work in that important American organ, interests with points of view closely associated with political currents in our nation.

In other words, it is clear that in those U.S. Government circles there are positions, attitudes and schemes which are openly opposed to the Paraguayan Government and which in certain cases lead to attitudes of clear interference in this country.

It is hard to establish the importance of those circles and it is also difficult to foresee the future course of relations, in view of the possibility of changes resulting from the upcoming elections. There is no doubt, however, that the relations between the two states are not at their best.

The verification of these disagreements should lead to serious reflection. A legal case must not be distorted or manipulated thusly for purposes having nothing to do with justice, as can be inferred from the report to which we have referred.

Still less acceptible is the fact that these interferences would aggravate the present situation of a newsman, who, in any case, is presumed innocent and without criminal intention, until proven otherwise.

No one would be able to assert with good reason that the processes which have taken place so far in similar cases have had any illegal origin. Such are thus the exclusive business of those who have expressed them.

The thing which must not be admitted from any point of view is the intention of prescribing steps to be taken by a state which are contrary to the stiuplations of its own laws, based on its legitimate sovereignty.

ALLEGED UPRISING LEADER GRANTED ASYLUM IN PANAMA

PY271841 Asuncion HOY in Spanish 27 Jun 80 p 7

[Text] The Paraguayan Foreign Ministry yesterday issued the appropriate safe-conduct to travel to Panama to Victoriano Centurion, a Paraguayan citizen who has been granted asylum at the Panamanian Embassy in Asuncion since 31 May.

Centurion is regarded by government officials as the alleged leader of an armed group which hijacked a bus of the Caaguazu line on the night of 6 March on Highway VII, near Caaguazu. The group stripped several passengers of their money and jewels. Later, police forces pursued the group and engaged with them in an armed clash, from which Centurion was able to escape.

Centurion departed for Panama last night via Braniff, thanks to the documents granted to him by the government at the request of the Panamanian Embassy in Asuncion headed by Ambassador Col Alejandro Arauz, who had first informed his government and then the Paraguayan Foreign Ministry of Centurion's entry into the embassy. He then requested that the appropriate safe-conduct be issued to Centurion.

BRIEFS

OLADE MEMBERSHIP ENDS--Paraguay is no longer a member of the Latin American Energy Organization (OLADE) because it has not paid its dues for several years. [Asuncion ULTIMA HORA in Spanish 12 Jun 80 p 9 PY]

PRIME MINISTER SAYS ARMED FORCES SUPPORT BELAUNDE

PY271607 Tacna Radio Tacna in Spanish 1200 GMT 27 Jun 80

[Text] Gen Pedro Richter Prada, prime minister and war minister of Peru, has stated in Caracas that the Peruvian Armed Forces will give their full support to the government of Fernando Belaunde Terry, who will be inaugurated on 28 July.

The plane in which General Richter was returning to Lima had to make an emergency landing 10 minutes after taking off from the Maiquetia Airport, near Caracas. Official sources have reported that the Peruvian Air Force plane that was taking General Richter back to Peru after a 6-day official visit to Venezuela had to make an emergency landing in view of (?problems in its main turbine).

Later, General Richter left Caracas in a Venezuelan Air Force aircraft. Richter, who is also commander of the Peruvian Army, went to Venezuela to attend the celebrations held on Tuesday, 24 June, on the occasion of the anniversary of the Battle of Carabobo.

NO TOP-LEVEL MILITARY COMMAND CHANGES FORESEEN

PY281510 Lima Radio Union in Spanish 1130 GMT 28 Jun 80

[Text] No changes will be made in the air force command, incoming Aeronautics Minister Lt Gen Jose Gagliardi Schiaffino (ret) stated yesterday at the end of a meeting of incoming ministers chaired by President-elect Belaunde. He noted that there are no reasons to make changes of any kind in the air force. He said he believed there was no reason to make change in the other two forces either, but noted that the respective ministers should report about that.

For his part, War Minister Maj Gen Jorge Muniz Luna reported that Gen Pedro Richter Prada will retain his post of commander in chief of the army and that Maj Gen Rafael Hoyos Rubio will retain his post as chief of the Armed Forces Joint Command. These officers will have to retain their posts because [words indistinct].

MORALES BERMUDEZ DISCUSSES STATUS OF NEWSPAPERS

PY281711 Lima Radio Union in Spanish 1130 GMT 28 Jun 80

[Excerpts] President Morales Bermudez and President-elect Fernando Belaunde Terry yesterday attended the reception given by Papal Nuncio Msgr (Mario Daglio Ferri) on the occasion of the pope's day, which is commemorated tomorrow, Sunday, 29 June. They stayed at the nunciature for nearly an hour, talked to each other and made statements to the press.

President Morales Bermudez said that any solution on the newspaper enterprises should necessarily take into account the financial status of those enterprises. He pointed out that the comptroller general has not yet completed the auditing of the newspaper enterprises. He said that to reach any solution one must know the financial status of the enterprises, which should be the starting point to define [words indistinct].

NEW NUCLEAR AGREEMENT WITH U.S. LAUDED

PY271441 Tacna Radio Tacna in Spanish 1200 GMT 27 Jun 80

[Text] Peru today became the third Latin American country to enter the nuclear field after signing a cooperation agreement with the United States whereby the latter agrees to provide Peru with fuel, materials and technology to develop atomic energy.

Peruvian Ambassador Alfonso Arias Schreiber yesterday signed at the U.S. State Department a cooperation agreement on the peaceful uses of nuclear energy with the U.S. Government.

Washington diplomatic sources have pointed out the fact that the Peruvian-U.S. agreement was signed virtually only 1 month after the signing in Buenos Aires of the Argentine-Brazilian nuclear cooperation agreement by Presidents Jorge Rafael Videla and Joao Figueiredo.

DOCTORS THREATEN TO RADICALIZE STRIKE

PY281633 Lima Radio Union in Spanish 1130 GMT 28 Jun 80

[Text] The doctors strike will be radicalized as of Monday, 30 June, if their socio-economic demands are not met by then, an authorized spokesman for the Peruvian medical federation has announced. They also (?rejected) the coercive measures adopted against dozens of doctors working for the social security service and military institutes.

Dr (Cesar Lopez Silva) and Dr (Roberto Yata Lorca), president and public relations secretary of the federation, have said that the doctors will radicalize the strike by refusing to sign medical documents such as certificates of health, birth, death and so forth.

Among other drastic measures, they will close their private offices and will not report to private hospitals and other nongovernmental health centers.

At the Peruvian medical association's building, which has become the headquarters of the strike, they said the federation has taken the reins of the strike.

BRIEFS

FISHING AGREEMENT WITH JAPAN--The Peruvian and Japanese Governments signed an agreement yesterday to cooperate in making better use of fishing resources. According to the agreement, Japan will send a team of experts to provide technical training to Peruvian personnel of the Peruvian Fishing Technology Institute. The agreement was signed by Rear Adm Felipe Sologuren of the Peruvian Fishing Technology Institute and Takeyike Yamakawa, chief of the Japanese mission of the International Agency for Cooperation of Japan. [Lima EXPRESO in Spanish 17 Jun 80 p 7 PA]

HIGH-LEVEL NICARAGUAN DELEGATION ARRIVES FOR TALKS

PA271612 Paris AFP in Spanish 0232 GMT 27 Jun 80

[By Rafael Avila Orozco]

[Text] Mexico City, 26 Jun (AFP)--During a news conference, Nicaraguan Government junta member Sergio Ramirez told AFP here today that we do not know "where Anastasio Somoza is right now. Some people say he is in Uruguay, others say he is not there. In any case, we have already prepared the request to extradite the former dictator from that country."

Ramirez is in Mexico accompanied by Sandinist Comdrs Jaime Wheelock and Henry Ruiz to undertake talks with Mexican President Jose Lopez Portillo, Foreign Secretary Jorge Castaneda, Finance Secretary David Ibarra and Mexican Petroleum (PEMEX) Director Jorge Diaz.

Sergio Ramirez said that the Nicaraguan Government hopes it will be able to obtain the extradition of dozens of Somozists so they can be tried for genocide, theft, tax evasion and crimes against the Nicaraguan economy.

The government junta member also said that Nicaragua has already received from Mexico various credit lines, including one for the purchase of almost 100 buses. "We are going to discuss with Mexican President Lopez Portillo the opening of a new credit line for Mexican exports to Nicaragua," Ramirez added. "The supply of petroleum is essential for Nicaragua," he said, "and the Mexican president has expressed his country's willingness to supply oil to Nicaragua. We have also received offers from the Venezuelan Government."

Commanders Wheelock and Ruiz explained that during the Nicaraguan civil war some 50,000 people were killed in a country with a population of 2 million. They said their arrival in Mexico represents "only a work visit. We do not know what else to call it since we lack protocol experiences."

The Nicaraguan Government delegation noted that the United States will grant Nicaragua a $75 million loan of which $20 million has already been advanced.

The room where the Nicaraguan delegation held its news conference was full of Nicaraguan flags and photographs of Augusto Cesar Sandino, "the general of free men." A newsman asked the Nicaraguans whether it is true that in Nicaragua there are training camps for Salvadoran guerrillas who are fighting against the Salvadoran Government. Ramirez replied that in Nicaragua there have never been training camps for guerrillas of any country. He said that great care is taken so that the great image that Nicaragua and the Sandinist revolution have achieved in the world will not be tarnished. "We do not want to export the Nicaraguan revolution," he stressed, "nor do we want to participate in threats or intimidations."

The Nicaraguan Government members commented that Nicaragua is going to celebrate the first anniversary of the victory of the Sandinist revolution on 19 July. They added that "our country has one of the highest degrees of domestic stability in Central America."

Extradition of Somoza Officials

FL271126 Havana Domestic Service in Spanish 1000 GMT 27 Jun 80

[Text] Nicaragua will soon complete a list of 100 former high officials of the Somoza regime, which includes former dictator Anastasio Somoza, to request their formal extradition from the governments of the United States and Paraguay.

The majority of them are Somoza criminals who reside in the United States, a country with which Nicaragua has signed an extradition treaty, which is why it is believed the request will be met, Sergio Ramirez, member of Nicaragua's junta of the Government National Reconstruction, has stated in Mexico City in a press conference.

The Somoza criminals, whose extradition will be requested, are accused of crimes such as theft, nonpayment of taxes, fraud, murder, tortures, bombings and genocide. Ramirez said that Nicargua now enjoys a broad internal stability and the most important thing, he stressed, is that Nicaragua has now become one of the very few stable countries in Central America.

TRANSNATIONALS WARNED AGAINST INTERFERENCE

PA250451 Paris AFP in Spanish 2320 GMT 23 Jun 80

[Text] Mexico City, 23 Jun (AFP)--The transnationals must abstain from influencing relations between the governments of the developing nations, Mexican Finance and Public Credit Minister David Ibarra said today.

Ibarra referred to the code of ethics which the transnationals should practice throughout the world at the opening of the sixth session of the UN Transnational Companies Committee.

He said that such a code must set "a norm" which recognizes the right of every state to "exercise power over their natural resources independently in order to define their development policies and strategies, without the intervention of any economic agent to limit them."

"The idea of creating illegal entities in favor of foreign bodies is not valid. It is incompatible with the sovereign rights of the states," Ibarra noted.

Representatives of 43 nations will analyze for 8 days the role of the transnationals within the food industry, the banking and insurance sectors, among others, as well as their relations with fascist regimes, it was reported.

EL SALVADOR'S MAJANO VISITS TO TALK WITH TORRIJOS

PA272148 Panama City Domestic Service in Spanish 1700 GMT 27 Jun 80

[Text] Col Adolfo Arnoldo Majano, member of the ruling government junta of El Salvador, left for Panama this morning to meet with Gen Omar Torrijos. Colonel Majano apparently came to Panama on a plane sent by Torrijos especially to bring him, it was learned this morning in the Salvadoran capital.

Majano's visit could last until Saturday, well-informed sources said. However, the reason for the Salvadoran junta member's visit to Panama was not announced. Nevertheless, news circles presume that the Panamanian Government's support for the ruling junta in El Salvador will be discussed. It was stated, but not confirmed, that Majano will meet with President Aristides Royo.

Torrijos Apologizes

PA281557 Panama City CRITICA in Spanish 28 Jun 80 p 8

[Text] In a ceremony held yesterday in the Rio Hato Military Base, General Torrijos apologized to Col Adolfo Arnoldo Majano, a member of the Salvadoran Government junta, in connection with the incident involving a plane that crashed in Salvadoran territory.

A press communique issued by the presidency of the republic states that "views and opinions on the situation in Central America were exchanged and the apologies of General Torrijos and the general staff were formally transmitted."

The communique also states that "the attorney general is conducting the necessary investigations and that the authorities will implement the sanctions that correspond to this type of crime."

"Colonel Majano expressed his gratitude over the explanation received and accepted the apologies," the communique adds.

At a news conference held last evening at the presidency's Yellow Room, Majano said that his country has begun a "political and socioeconomic change."

"I have come to Panama at the invitation of the president and his government to exchange opinions on the Central American situation, especially that of El Salvador," Majano commented.

According to Majano, his country's situation is very complicated but could not be classified as a civil war. "We are facing a very difficult political problem," he indicated.

Majano admitted that many positions have become radical, "but the fact that there is some flexibility in those positions leaves the hope that a political solution may be found."

He added that through its socioeconomic transformations, the junta is showing its willingness to resolve the problem and transform the country.

"There is a difficult climate," he went on, "and we are aware of the fact that a large effort must be made to prevent an armed clash between the forces that have become polarized in El Salvador. This effort must be made urgently and there must be great willingness to resolve our problem."

Majano explained that as a political solution he has proposed a dialogue among all the sectors interested in transforming El Salvador.

"The government must make a supreme effort in order to move wills, and make this dialogue possible, since the radicalized forces must contribute a bit more and must adopt more flexible positions in order to reach an understanding," he continued.

My stand is that a supreme effort be made so that all of the country's political and social forces can find a solution to our problems, the government junta member said in conclusion.

Majano Views Conference

PA281932 Panama City Televisora Nacional in Spanish 0330 GMT 28 Jun 80

[News Conference by Salvadoran Government junta member Col Adolfo Arnoldo Majano at the Yellow Room of the presidential palace on 27 June 1980--recorded]

[Text] [Question] Colonel Majano, is the government junta popular?

[Answer] It is hard for me to say, but I can say that some advances have been made and there is now more of a relationship with all sectors of the population. More important, through its socioeconomic reforms, the junta is giving real indications of its desire to resolve the country's problems and to transform it. But it is also important that there be greater political expectations and that political changes become a reality, establishing a broad range of participation in the solution of the country's political problems.

[Question] To what extent is that possible, Colonel?

[Answer] It is possible as long as there is a will, as long as wills are moved toward an understanding among all political and social currents influencing the country's life.

[Question] Colonel, despite the popular measures sponsored by the junta, why is there still a state which, although not termed a civil war, is very close to a civil war?

[Answer] Frankly, a very difficult climate prevails. There has been violence. I cannot deny that but, as I said a while ago, we realize that a very big effort must be made in order to avert a confrontation, an armed clash between El Salvador's polarized forces. This effort must be made urgently. Something must be done with a great intention and a great willingness to solve the problem peacefully.

[Question] What policy do you promote, Colonel Majano?

[Answer] I share the view that the possibility of holding a dialogue should be sought. That is the political stand I have held.

[Question] What possibilities, what percentages, do you currently see in El Salvador for either a peaceful political solution or an armed solution? What percentage would you say each has?

[Answer] It is hard for me to establish a percentage, but I can reiterate that the government must make a supreme effort in order to change people's wills and to make this dialogue possible as long as the radicalized forces contribute a bit more and adopt more flexible positions so there can be an understanding. My position is that a supreme effort should be made in order to achieve an understanding among all of the country's political and social forces. That might be a suitable solution.

[Question] Colonel, to what extent is your view shared by the Salvadoran civilian-military junta?

[Answer] We really share similar views. Now, the important thing is to lay a firm groundwork and establish a number of principles at the government's initiative in order to change people's wills toward that dialogue. The effort begun on 15 October and the spirit of the Salvadoran Armed Forces' proclamation are aimed at truly achieving a transformation of the country's structures, at achieving a new social order in El Salvador. That objective has two aspects: socioeconomic change and political change. We can establish a new social order on the basis of those two aspects. That is the agglutinating objective. I feel that our motivation centers around this. We have not been interested in taking away the banners of the left, but in bringing about changes in the country. Regarding those forces which have lost privileges, I sincerely feel that they should realize that within the framework of this new social order, they have a different role to play.

[Question] Colonel Majano, in your opinion, what influence does the Central American political situation have on Salvadoran development?

[Answer] Regarding the influence of Central America's political situation on Salvadoran developments, I might simply say that we are all so close, we all have our origins in the same race, we share similar idiosyncracies and this makes us always be attentive to the political solutions in any given country and each of these solutions immediately influences the others. I feel that in the future all our countries will seek political unification, but that future political unification must always be aimed at a just social order. I can affirm that the solutions we are trying to provide in El Salvador have their effects on the area, moving wills in the search for just social order for all our countries.

[Question] What could you say about the role and influence of the church in El Salvador and within your political area?

[Answer] In El Salvador, the church influences both the thoughts and feelings of our people and is heard by them, particularly by the humbler sectors. It has a guiding and positive role. We are trying to maintain a very close relationship with all the members of the church and we have remained in touch and in constant communication in order to make a joint effort to solve (the country's) political problems.

Airport Interview

PA290330 Panama City Televisora Nacional in Spanish 2315 GMT 28 Jun 80

[Text] Col Arnoldo Majano, member of the civilian-military junta of El Salvador, told Televisora Nacional today that it is still difficult to assess the damage caused by the armed struggle as regards agricultural production for this year. Majano made this statement a few minutes before leaving to take the plane back to El Salvador. Here is his interview with Jose Hernandez:

[Begin recording] [Question] What is the present status of your programs--the agrarian reform program, for example--in view of the situation in El Salvador?

[Answer] Right, Mr Hernandez. Regarding your question about agrarian reform in El Salvador, I wish to take this opportunity to explain that the first phase of the program has begun. It consists of the confiscation of 260 estates. Together they total 308,000 manzanas. These 260 estates to which I refer have now been established as cooperatives. This is the first phase of the agrarian reform program. Work is underway. An effort is being made to make the land productive. The peasants have been organized on these estates to allow them to carry out the technical exploitation of the land and also to promote their future social development.

[Question] Colonel, in this regard we would like to ask whether, in the political conflict between the right and the left, the rate of agricultural production has been affected and whether the basic food needs are being met.

[Answer] Actually at the present moment it is difficult to assess future production in this agricultural cycle. However, in general the land is being worked and there has been a very positive response on the part of the peasants. The reaction has been favorable in this regard. I have to admit that we have problems in some areas, but they are local ones. There are pockets, small places or areas, affected by the climate of violence. Nevertheless, we have arranged for local emergency programs to be implemented in those areas, with loans and all the facilities that the peasants need to live. In general, the land is being worked and the prospects are quite good.

[Question] Colonel, finally, and in order not to bother you any more, we would like to know the following: In the 15 October proclamation which you used as a basis for the overthrow of the previous government there is a statement that you wish to bring the violence to a halt. However, in all this time that has not been achieved. Do you believe you can continue to control the situation or will it be necessary to go to the extreme of direct action?

[Answer] Yes, we believe a process of reforms, especially the kind of reforms we are promoting, which are deep-rooted, can cause a disruption because the situation evolves in this manner by nature. We are waiting for the positive effects of these reforms. Their effects will be visible in the medium or long term, and this will be the stabilizing factor. In the immediate term, we expect reactions of all kinds. The former owner reacts by trying to recover his privileges or former status, and within that context there has developed a climate of unrest which we hope to overcome soon.

[Question] Finally, there is a group, the AAA [expansion unknown]. When will it be possible to stop the activities of the AAA as an extreme rightist paramilitary group?

[Answer] Yes, we are presently involved in that struggle. [end recording]

LOAN AGREEMENT WITH JAPAN TO BE SIGNED IN NEW YORK

PA271437 Panama City MATUTINO in Spanish 26 Jun 80 pp 1-a, 10-b

[By Roberto R. Rodriguez]

[Text] Deputy Minister of Finance Orbille Goodin said yesterday that the loan agreement by which the Japan Industrial Bank will grant the Government of Panama a loan of $70 million for the development plan for Colon Province will be signed on Monday, 7 July 1980, in New York.

The $70 million-dollar loan was granted to Panama thanks to the Japanese Government's acceptance of reasonable terms and fixed interest rates and in spite of the fact that Japan is not making transactions of this nature with other countries because of their balance of payments situation.

The high-ranking Finance Ministry official said that the loan will be granted for 15 years with a 6-year grace period and the interest will be one-half percent payable to the Japan London Bank.

The first phase of the quarter [as published] will begin with a loan of $15 million for a period of 8 years with a 5-year grace period at an interest rate of 1.5 percent over the London interbank offering rate, since the Colon development plan is already being implemented.

It was stated that the funds from the loan are already available, which means that Panama can make disbursements from them for work that has already been done. This represents a guarantee of development for contracting firms responsible for doing the job.

The negotiations for the loan were lengthy, but fruitful. They were completed during President Aristides Royo's visit to Japan in March, when a "letter of intention" was signed. This is a formal promise by the bank establishing a contract to lend a certain sum of money under established terms.

The signing ceremony in New York had been scheduled for Monday, 30 June, but was postponed to the indicated date. The agreement will be signed by Jose Montenegro of the Colon Free Zone and the deputy minister of finance on behalf of the national government and countersigned by Azael Purkait, deputy comptroller of the republic. Kisaburu Ikeura, chairman of the Board of Directors of the Japan Industrial Bank will sign for the bank.

Panama has begun a phase of political rapprochement and economic cooperation with Japan as a result of the good relations which have been further strengthened in the past few months by the intervention of Panamanian ambassador to Japan Alberto Calvo.

The Colon development plan, considered by experts as having top priority for the Royo government, has an estimated cost of $120 million. The World Bank recently agreed to provide $5 million of the total. The loan agreement is expected to be signed here in Panama.

COMMISSION TO PAY FOR CANAL DAMAGES FROM OIL TANKER

PA252153 Panama City Circuito RPC Television in Spanish 1730 GMT 25 Jun 80

[Text] The Panama Canal Commission will pay for the damages caused by a naval accident in the canal early this month when an oil tanker struck the bank of the canal. The Commission will assume responsibility for the accident since canal inspectors found the canal-provided pilot, who was navigating the ship at the time of the accident, guilty in the incident.

Canal Commission Deputy Administrator Fernando Manfredo said today that so far some 1,300 barrels of the oil spilled in the canal waters have been collected. That is equivalent to 30 percent of the oil spill. Another 30 percent has evaporated and the rest has gone out to sea with the passage of the ships through the locks. I believe we have cleaned up Gatun Lake and the canal and that there is no danger that what might be left can affect the quality of marine life, Manfredo said.

The Canal Commission is authorized to pay damages up to $120,000. If the damage exceeds that figure, the Commission has to submit the additional claim to Congress.

DEBATE ON PROBLEMS OF PARTY SYSTEM URGED

PA261552 Panama City Televisora Nacional in Spanish 2315 GMT 25 Jun 80

[Mario Velasquez commentary]

[Excerpts] Even within its limitations, the current process of registration of political parties and electoral campaigning is not only interesting but also healthy for the country's public life.

The registration serves to determine the degree of popular support for the political parties. It is a test to which all Panamanian political organizations should submit themselves so that on the basis of the support they receive from the community they can claim their real place as spokesmen or interpreters of public opinion.

In our country, there is a proliferation of political parties. Some people feel that this plurality of parties enables groups and people who have no public support to appear as leaders of new minority political parties. Nevertheless, experience shows that a large number of parties does not harm the democratic system. On the contrary, in theory it permits all political and ideological views to participate in the electoral debate. What has occurred in Panama as a result of the lack of real ideological parties is that the plurality of parties does not reflect a plurality of ideologies but an incompatibility of personal interests.

It is no secret that Panama's political history includes several cases of small political parties which had a short and passing life and whose leaders manipulated those parties to promote their own interests which were very far from the national interests.

The current situation of the political parties is not very encouraging. The political parties in Panama and in other countries are passing through a crisis of representation and legitimacy as instruments of public opinion. Let us not speak of dictatorships of different ideologies such as those in the socialist camp where only the communist party is valid or those of Chile and Argentina where the political parties have been condemned by the system. The same occurs in Libya where Colonel al-Qadhdhafi maintains the philosophy that the party system thwarts democracy.

In defense of the parliamentary system one can point out that the great modern democracies--Britain, France, Italy, Sweden and the Netherlands, among others--have a parliamentary government system. In the United States, where the president, as chief of the executive branch, has great power and a large degree of autonomy, the legislature has a great and decisive influence in the management of public affairs. In essence, the questioning of the party and parliamentary system is not new. For the dictatorships located at the ideological extremes, the rejection of parliaments and parties is used to justify their totalitarian governments and the concentration of power by one man.

Other criticisms are constructive since they seek to improve and make more effective the democratic interplay of parties and parliaments. Regarding these two institutions which are essential for an authentic democracy, a broad debate could be opened in Panama because both institutions are experiencing a deep crisis of authenticity, representation and credibility. That debate--if it could be held in a civilized manner--would be a positive contribution to identify a vital problem which is closely linked to the break [fractura] in our democratic institutions and the general crisis of the Panamanian political sector.

BRIEFS

NEW PORT AUTHORITY DIRECTOR--Maj Jose S. Motta was appointed yesterday as new director of the National Port Authority to replace Capt Pablo Duran, who resigned to attend to personal matters. George Fisher, who formerly served as personnel director of the Foreign Ministry, has been appointed deputy director of the Port Authority. [Panama City LA ESTRELLA DE PANAMA in Spanish 26 Jun 80 pp A-1, A-8 PA]

FOREIGN MINISTERS OF 'NORTHERN TRIANGLE' TO MEET 9 JUL

PA290015 Tegucigalpa La Voz de Honduras in Spanish 1337 GMT 28 Jun 80

[Sercano Network]

[Text] The foreign ministers of Honduras and El Salvador will meet on 9 July in Guatemala City, it was learned here yesterday afternoon. In effect, an unexpected meeting of the foreign ministers of El Salvador and Honduras with their Guatemalan counterpart will take place on 9 July in the capital of Guatemala, according to reports published yesterday in the Guatemalan press.

On the first day of the 2-day meeting, the foreign ministers of the so-called northern triangle of Central America, Eliseo Perez Cadalso of Honduras, Fidel Chavez Mena of El Salvador and Rafael Castillo Valdez of Guatemala, will devote themselves to protocol matters. Additionally, the Guatemalan foreign minister will present his colleagues with the Grand Cross of the Order of the Quetzal.

On 10 July the ministers will hold a joint meeting in which they will analyze the problems in Central America, including the recent incidents on the Salvadoran-Honduran border that have been reported by reliable sources.

COSTA RICA

BOWDLER TO ATTEND CONFERENCE ON CUBAN REFUGEES

PA282006 Panama City ACAN in Spanish 1939 GMT 28 Jun 80

[Text] San Jose, 28 Jun (ACAN-EFE)--The U.S. assistant secretary of state for inter-American affairs, William Bowdler, will arrive tomorrow in Costa Rica to participate in the second conference on Cuban refugees convoked by the Costa Rican Government. The high-ranking official is linked to a U.S. Government report allegedly delivered to the Costa Rican president and which pertained to the arms traffic to El Salvador.

Bowdler, connected to the events prior to the fall of Anastasio Somoza in Nicaragua last July, has visited Costa Rica several times. He will be in Costa Rica for a few hours to analyze the situation of the Cuban refugees who have fled their country following the occupation of the Peruvian Embassy in Havana.

DEPUTY CALLS FOR PROBE OF ILLEGAL ARMS TRAFFIC

PA272345 San Jose Radio Reloj in Spanish 1730 GMT 25 Jun 80

[Text] Deputy Hernan Azofeifa Viquez of the National Liberation Party [PLN] has said that the call for a national dialogue issued by Trejos Fernandez, president of the Unity Party, is an attempt to divert Costa Ricans' attention from the most serious problem to have emerged in the past few days: the illegal arms traffic.

Azofeifa Viquez said a large number of weapons are in the hands of Costa Ricans who are making millions by selling them. These weapons, he said, are apparently some of those that were used in Nicaragua. We PLN members of the legislature feel it is necessary for the problem to be investigated in depth because it involves a threat to social peace in Costa Rica, he said.

Deputy Azofeifa said his group supports Ramon Aguilar Facio's motion to have the comptroller's office inventory the weapons at the Security Ministry because the number of such weapons is (?inaccurate). What requires investigation, he said, is the number of weapons that are being moved around and sold illegally in the country, Azofeifa said.

The deputy said the Unity Party must bear responsibility for the illegal arms traffic and anything else done by this government, good or bad. However, as far as a dialogue, they want to exclude the Unity Party to insure that it is not harmed by all the things that might be said about it if the dialogue should take place, Azofeifa said.

I do not believe Carazo is sincere, Azofeifa said, and added that the dialogue should take place if the government calls on the Unity Party and on all the democratic parties and shows respect for the 57 deputies. If this were done, then the dialogue could take place, although I do not believe it will, in view of my experience with the president's sincerity in agreements and talks of this kind, Azofeifa said.

The deputy said the matter of the illegal arms traffic should not be ignored. We must investigate to determine just who are becoming millionaires through the arms traffic and whether many of those weapons are being kept by Costa Ricans and for what purpose, he said.

Minister Denies Knowledge

PA291814 San Jose Radio Reloj in Spanish 1330 GMT 29 Jun 80

[Text] Public Security Minister Carlos Argueda Le Franc said he knows nothing about illegal trafficking in arms worth $30 million. Rumors that such arms trafficking exists have leaked out from public security sources. Minister Argueda said that an investigation was carried out on the boxes containing Japanese clubs [bastones], powerful weapons used by the Nicaraguan guerrillas, but that nothing definite about arms traffic had been found.

Following the investigation of the 35 boxes containing the Japanese clubs, rumors have spread that persons who used to work or are still working for public security are involved in the 300 million colones, $30 million, arms traffic. Public security officials have said that first, it is necessary to find the arms in order to carry out an investigation. Reliable sources have said that these arms are intended for El Salvador.

EL SALVADOR

CHARGES WITHDRAWN AGAINST PANAMA IN ARMS CASE

PA272134 Panama City ACAN in Spanish 1940 GMT 27 Jun 80

[Excerpts] Panama City, 27 Jun (ACAN-EFE)--The Salvadoran Government junta has withdrawn charges against the governments of the nations mentioned in connection with a recent case of illegal transportation of arms by a Panamanian-registered plane. A communique issued by the Salvadoran Embassy in this capital today states that the civilian-military junta feels that this case of arms smuggling was executed on an individual basis.

The Salvadoran Embassy communique was issued as Col Adolfo Arnoldo Majano, member of the Salvadoran Government junta, who departed for Panama for talks with National Guard Commander in Chief Gen Omar Torrijos.

The Salvadoran Embassy explained that the Salvadoran junta had obtained from the friendly nations a thorough investigation of the incident. It repeated the position of the ruling junta regarding the principle of nonintervention in the domestic affairs of other countries and reaffirmed its intention to defend, within the framework of international law, the legitimate interests of the Salvadoran people.

Meanwhile, Panamanian Attorney General Olmedo Miranda announced yesterday that next week he would release an official report on the investigations regarding the Panamanian plane involved in arms trafficking.

HIGH-LEVEL GOVERNMENT MISSION TO TOUR EUROPE

PA291605 San Salvador LA PRENSA GRAFICA in Spanish 24 Jun 80 p 3

[Text] A high-level government delegation will tour Europe to inform Europeans of El Salvador's real situation, which is exaggerated by members of subversive groups who were here recently, an official source disclosed.

The high-level mission consists of Interior Minister Ovidio Hernandez, the armed forces chief of staff and other state officials. Junta member Jose Napoleon Duarte, who left for Europe last Sunday, could join them there.

According to official sources, our country has a negative image abroad due to distorted reports of our real situation disseminated by foreign news media.

The Salvadoran high-level mission which left for Europe last weekend will visit Portugal, France, Spain, the FRG, Italy, England and maybe some Caribbean countries.

On their way back they are supposed to stop in the United States and Mexico where again they will be informing people of the real situation in El Salvador.

ARMY CONTINUES TO OCCUPY UNIVERSITY, PATROL STREETS

PA271229 Buenos Aires LATIN in Spanish 0801 GMT 27 Jun 80

[By Adrian Roberto Aldana]

[Excerpts] San Salvador, 27 Jun (LATIN)--Security forces today continued their thorough search of the University of San Salvador for more victims following the bloody occupation of the university yesterday by joint forces which left an initial toll of 13 dead, 15 wounded and some 200 under arrest.

Some 200 policemen and soldiers supported by helicopters and an airplane under the protection of light artillery participated in the operation. The occupation was carried out early in the afternoon after the university was surrounded for more than 3 hours.

This morning the army continued to occupy the university while armed soldiers guarded government buildings, businesses, stores, markets and bus and railroad stations. Armored vehicles armed with light artillery were patrolling the streets. An army spokesman indicated that the same measure was being carried out in the country's main cities.

So far this morning, no leftist organization has publicly condemned or held demonstrations against the occupation of the university.

The government has remained silent about the exact number of people under arrest. Witnesses have indicated that those under arrest include high-ranking leaders of the Revolutionary Coordinating Board of the Masses and other leftist groups which were holding the thwarted meeting in the university.

Managua Details Violence

PA271500 Managua Radio Sandino in Spanish 1200 GMT 27 Jun 80

[Excerpts] The vehement call for solidarity made by the leaders of the Revolutionary Coordinating Board of the Masses [CRM] from the university campus as they were being attacked by combined Salvadoran Army and police forces is being answered. Dozens of committees of solidarity with the Salvadoran people in Latin America, the United States and Europe, revolutionary political parties and trade union organizations are repudiating the brutal actions.

As this report is being drafted the official results of repression by the army and police forces are still unknown. But newsmen and eyewitnesses concur that about 1,500 people were trapped on campus, about 25 were killed, 200 were hurt and 300 were arrested. Other sources report repression of the people in a poor neighborhood known as La Fosa, which is next to the university. Fifteen dead bodies were found behind the stadium.

The Red Cross and the Green Cross worked well into the late afternoon evacuating people, moving the injured and taking bodies away as small contingents of people's militias conducted self-defense operations to fight off the army and police.

Government Communique

PA280402 San Salvador Domestic Service in Spanish 0030 GMT 27 Jun 80

[Communique issued by the revolutionary government junta 27 Jun--read by announcer]

[Text] A military operation was organized to investigate reports that armed subversive elements were seen in La Fosa area, on the northwestern side of the national university, preparing to start disorders, carry out holdups and steal cars.

A military detachment was ordered to surround the area to prevent the escape of the extremists, to prevent anyone from taking arms away and to protect the security force in charge of raiding the area. The incidents occurred as follows: When the army detachment approached La Fosa, they were met with fire from the persons in La Fosa. When the unit in charge of raiding the place appeared the shooting increased and snipers posted at strategic points in the university started shooting at the military, who repelled the attack. In order to cope with the situation, they had to enter the university campus.

Since there were students and other persons in the university, members of the Red Cross and the Green Cross were allowed to enter the university to evacuate these persons. Once the military were in the university, the snipers disappeared. Shell casings from various weapons were found where the shooting had come from.

The subversive group in La Fosa continued putting up strong resistance for more than 30 minutes. In the end there were 12 guerrillas dead and several wounded. The armed forces reported three soldiers wounded, one seriously and the other two slightly.

In this same area there were clashes with members of the Farabundo Marti Peoples Liberation Forces (FPL), posted in two buildings. The following material was found in these buildings: six (?12-gauge shotguns), seven 22-caliber rifles, one .30-caliber rifle, one .38-caliber revolver, one Smith and Wesson machinegun, and various types of clips and large quantities of bullets of various sizes, such as 9-mm, 45-mm, .38 special, 22 magnum and 7.65.

Also found were incendiary bombs, handgrenades, dynamite and material to make bombs. They also found four helmets, a large quantity of chlorate, a printing press, a mimeograph, propaganda material, National Guard and army uniforms, knapsacks with personal items belonging to the terrorists and 10 masks like the ones used by the FPL.

When the army withdrew from the university it set up checkpoints around it and a cordon to safeguard state property inside the university. At 0900 today a thorough search of the univeristy was ordered, based on the subversive propaganda, posters, incendiary bombs, explosive materials and other items found inside the university.

We are requesting the presence of representatives from the archbishopric, the university rector, deans and administrative personnel and also from the Red Cross and Green Cross when we deliver the keys to the university to the attorney general's office. The search will be carried out in the presence of witnesses. Once it is completed the university will be handed over again to the university authorities.

Press Barred From Campus

PA281019 San Salvador Radio Cadena Sonora in Spanish 1140 GMT 28 Jun 80

[Text] A few minutes ago we went to the University of El Salvador and we were refused entry into the campus. This morning we also reported an official police communique which appealed to owners of vehicles left inside the campus after the military occupation Thursday. The persons who went there to pick up the vehicles were also refused entry. Therefore, we inform the persons who have vehicles inside the university that it is not possible yet to take them off the campus.

We had also been told that the authorities had found a buried arsenal. This was also denied by the very same troops posted at the entrance of the medical school of the University of El Salvador.

Some of us, news personnal of Cadena Sonora, went to the exact place where we were told that foreign and local newsmen would be allowed access in response to the summons to report the discovery of some type of arms. However, as reported a few minutes ago, we were told by the troops at the entrance of the medical school that they had no knowledge of anything in regard to what we have just noted and that informations would possibly be given later. The situation was confusing. Many newspaper, television and radio reporters were unable to confirm the information they had been given because at the entrance to the medical school it was stated that this information did not exist. Therefore, there is confusion regarding the invitations to the foreign and local newspaper, television and radio reporters in connection with the search made yesterday at the university and today's occupation of the university campus by joint Salvadoran Armed Forces troops.

Army Continues Search

PA282138 Buenos Aires LATIN in Spanish 0639 GMT 28 Jun 80

[Excerpts] San Salvador, 28 Jun (LATIN)--The army today continued its intensive inspection of the occupied University of El Salvador in search of reported guerrilla arsenals after the Salvadoran church refused to participate in the search as an observer. Meanwhile, police report that in San Vicente Department, 65 km east of this capital, hooded individuals machinegunned and killed 11 members of the San Antonio Estate cooperative, one of the agricultural cooperatives participating in the agrarian reform program.

An official bulletin indicated last night that the army will continue the search for arms caches presumably hidden in university installations, although none of those invited to observe the operation have appeared. The authorities have announced that none of the reported caches has been found. However, we are certain they are in the area, an army spokesman said. Meanwhile, the situation in the rest of the country is normal, according to a government spokesman.

Last night the Revolutionary Coordinating Board of the Masses, which is made up of the organized leftwing that is struggling against the government of the civilian military junta, described as a total success the 2-day strike which mobilized some 160,000 of its members throughout the country to demand the release of leftist leaders arrested by the police, as well as to call for suspension of the state of siege that has been in effect for the past 3 months.

Bodies, Munitions, Propaganda Found

PA282307 San Salvador LA CRONICA in Spanish 28 Jun pp 5, 7

[Text] A large amount of printed propaganda, material for the manufacture of homemade bombs, subversive material and eight bodies were found yesterday by security forces searching the national university campus.

The search was thorough. It began at the law school auditorium, where three coffins were found on the dais, each containing a decaying body. These gave off a terrible stench. Apparently they had been dead for several days. A great deal of subversive literature was found everywhere, giving the impression that the school was the main source of propaganda for distribution.

The literature included appeals to join the health brigades for the "war" and instructions for those who joined these brigades on what they should do for each type of emergency case. Bombs, handgrenades, chlorate and inflammable material was found everywhere.

At the sites occupied by the United Popular Action Front and the Peoples Liberation Movement were two more coffins with bodies of persons who had died a few hours earlier. On the floor were empty cartridges of various sizes. It seems that those who had been there had fired intensively at the government forces during the rioting Thursday. There was also clothing of all sizes for men and women as well as cans of paint of various colors, brushes, mattresses, bales of red and black fabric and briefcases.

At the sites occupied by the 28 February Peoples Leagues, was gunpowder, bonds to raise funds for the organization, clothing, wire, inflammable material, blankets and men and women's garments. Behind the law school building was a sixth body under some trees. It was the body of a dark-skinned man of about 30.

At the university extension building, also known as the visual arts building, was a blue knapsack with some 500 rounds of 9-mm ammunition. In various offices were files with many photographs apparently of students who had obtained or were applying for scholarships.

Two more bodies were found near the school of engineering. At the medical school were camouflaged cellars which, although empty at the time of the search, were, in the opinion of security personnel and others, used to conceal kidnapped persons.

In general the tour through the national university showed a similar scene: [paragraph continues]

Slogans calling for "war" were found everywhere as well as subversive propaganda signed by the various extremist organizations in the country, including the outlawed Peoples Liberation Forces, the Peoples Revolutionary Army, the Armed Forces of National Resistance, (PRTC) [not further identified] and the Peoples Liberation Militias.

The university seemed more to be an indoctrination center than a place for learning, remarked more than one person gazing on the grotesque "decor" of the walls and furnishings. It is hard to find a single place without a slogan against the government and calling for "war." Nicaraguan, Cuban and other slogans were also seen.

In view of all this one wonders if the students had any time to dedicate to their professional training.

An army officer, who participated in the search, said the occupation had been more accidental than intentional on the part of the government. It would not have happened if snipers posted at the university had not fired on security personnel during Thursday's search of La Fosa District.

When it was learned that the university had been occupied, workers, employees, businessmen and the people in general expressed their approval of the government's decision to occupy the university, which had become the main refuge for subversives, marijuana smokers and common criminals.

'Clandestine Cemetery' Discovered

PA280317 Paris AFP in Spanish 0236 GMT 28 Jun 80

[Text] San Salvador, 27 Jun (AFP)--The Salvadoran Armed Forces today discovered at least 10 decomposed bodies on the campus of the University of El Salvador, which they invaded today for the first time in 8 years. The soldiers also found a "clandestine cemetery," which could hold "many bodies" and which will be examined tomorrow morning.

It was also learned from a well-informed source that a provisional official estimate is that at least 27 persons were killed today in a shootout near the university between armed forces and guerrillas. Preliminary reports yesterday as well as a report published today indicated only 13 killed.

In the raid on the university--which the authorities have considered for some time a "nest of subversion"--the soldiers also found a clandestine radio transmitter, tens of thousands of phamphlets of different extreme leftist movements, and a "certain number" of bombs. On the other hand, the soldiers found hardly any weapons or ammunition.

'Secret Tunnel' Escape Route

PA282141 Buenos Aires LATIN in Spanish 0680 GMT 28 Jun 80

[Excerpt] San Salvador, 28 Jun (LATIN)--Police revealed today that the leaders of the main opposition groups, who were holding a meeting at the University of El Salvador, apparently escaped through a secret tunnel when security forces raided that leftist bulwark.

The security forces discovered weapons, materials for the manufacture of bombs and a well-built tunnel, hundreds of meters long, which emerged in the Zacamil District, police added.

The army carried out a detailed search when they occupied the university Thursday at the end of a 2-day strike proclaimed by the left in its struggle against the government junta.

According to witnesses, 20 persons were killed in the clash with state security forces which conducted the operation.

Explosions, Fire at University

PA282242 Panama City ACAN in Spanish 2226 GMT 28 Jun 80

[Excerpt] San Salvador, 28 Jun (ACAN-EFE)--A fire broke out this afternoon in the buildings in the northern part of the University of El Salvador campus. Several explosions were heard just before the fire started. According to reports reaching ACAN-EFE, two bombs which were apparently concealed on the campus exploded, setting neighboring buildings on fire. Salvadoran firemen have arrived at the scene. It has not been learned so far which of the schools are affected by the fire. The university has been under military control since Thursday.

ANTICOMMUNIST ARMY BOMBS JESUIT-RUN UNIVERSITY

PA291811 Panama City ACAN in Spanish 1624 GMT 29 Jun 80

[Text] San Salvador, 29 Jun (ACAN-EFE)--Two powerful bombs exploded early this morning in the Jose Simeon Canas Central American University (UCA), located in the eastern sector of this capital.

A UCA spokesman told ACAN-EFE that one of the bombs exploded in the university's printshop destroying part of the printing press. The other bomb exploded in a student center starting a fire which destroyed it. Two units from the Salvadoran fire department managed to put out the fire 2 and 1/2 hours later. A member of the university's Superior Council reported that the damages to the printshop were estimated at approximately $150,000. Nearby houses, most of which are occupied by Jesuit priests who teach at the university, were also seriously damaged.

The Salvadoran Anticommunist Army (UGB) left flysheets at the sites of the explosions claiming credit for the terrorist acts. The flysheet said that "three UGB Gen Maximiliano Hernandez Brigade squads dynamited the print shop because it was printing subversive propaganda and also another building." The flysheet also warns the Jesuit priests that this is a threat against their lives.

UCA guards said they saw eight men tearing apart the fence surrounding the university campus but because these men were strongly armed they decided to hide. UCA is run by Jesuit priests.

GUATEMALA

LABOR MINISTER ASKS RESPECT FOR KIDNAPPED LEADERS' LIVES

PA272356 Guatemala City Radio Emperador in Spanish 1725 GMT 27 Jun 80

[Distributed by Inter-Central American Radio Organization]

[Text] The Guatemalan labor minister has asked respect for the lives of the 37 kidnapped labor officials. The labor minister appealed yesterday through the media asking respect for the lives of the labor leaders captured Saturday at the National Confederation of Guatemalan Workers offices.

The minister returned to Guatemala after participating in the International Labor Organization meeting held in Geneva. He said that when he returned to Guatemala he learned of this unfortunate incident and that he has sent several messages to labor leaders and workers at the concerns where the kidnapped persons work.

Minister Alarcon Monsanto said he will meet today with various labor leaders for more details of the matter. He said that after this meeting the ministry could take other steps in regard to this regrettable incident. The labor minister said the nation's problems are not going to be solved through kidnappings.

HONDURAS

MASSACRE CHARGE AFFECTS CHURCH-STATE RELATIONS

PA272145 Madrid EFE in Spanish 0559 GMT 27 Jun 80

[By Armando Cerrato]

[Text] Tegucigalpa, 26 Jun (EFE)--A crisis emerged today in the Honduran church-state relations in view of the possible expulsion from the country of priests and nuns who work in western Honduras.

According to Col Leonel Alejandro Gutierrez Minera, general director of population, "foreign priests and nuns have violated Honduran laws by signing a declaration." That declaration charged that 600 Salvadorans have been massacred by Salvadoran guardsmen and members of the paramilitary Nationalist Democratic Organization (ORDEN) on the border with Honduras.

"By signing that declaration the priests have meddled in political affairs and violated the immigration laws as well as having slandered the government and the army," the director of immigration said. He indicated that those who signed the document are from the United States, Canada, Spain and Costa Rica. He added that their residency permits might be cancelled. He explained, however, that Gen Policarpo Paz Garcia, president of the military government junta, and Government Minister Col Cristobal Diaz are the ones who will soon make a decision in this regard.

Meanwhile, for Foreign Minister Eliseo Perez Cadalso, "the charge by the western Honduras clergy is part of a well-planned campaign to destabilize the atmoshpere of democracy and coexistence begin enjoyed by the Honduran people."

The clergy of Santa Rosa de Copan, in the western department of Copan, have not retracted anything in the declaration. "Everything is the result of deep thought," Father Jesus Orellana said. "Nothing is a lie or fabrication. The government can say what it pleases and defend itself as it sees fit. That is its right."

He added that "we will not issue a reply to the government and army's statement. We will thoroughly analyze it soon. He said that they have many eyewitness accounts of the massacre. He added that their declaration did not have any political objectives. The priest said that those who want to know the truth should go to the border area so they can hear accounts of "how the massacre in which the Honduran Army participated was carried out." He also indicated that all those who signed the declaration assume responsibility for it because everything that it contained can be confirmed.

Ingemar Cederberg, the UN commissioner for the northern region of Latin America, is in the area today. He said he had learned of the massacre from the international press "but it is not up to the United Nations to issue a statement."

The Honduran Christian Democratic Party, the Socialist Party, other similar institutions of open opposition to the military government have appointed investigative commissions and some foreign newsmen and correspondents have traveled to the area. Meanwhile, the government has the last word.

NICARAGUA

ORTEGA DOUBTS U.S. INTERVENTION IN EL SALVADOR

PA282321 Panama City ACAN in Spanish 1744 GMT 28 Jun 80

[Text] Managua, 28 Jun (ACAN-EFE)--Daniel Ortega Saavedra, member of the Nicaraguan Government junta, believes that the United States--fearing Latin American rejection--will not commit the mistake of intervening militarily in El Salvador.

According to Ortega, if the United States decides to intervene in El Salvador it would be faced "first of all by the rejection of the American people." Ortega said that "the United States will also be faced with opposition by anti-interventionist sectors in the Congress."

He said Nicaragua, Central America and Latin America would naturally express their rejection of U.S. intervention in Salvadoran affairs. The Nicaraguan leader said, "we must recall the attitude of the peoples of Latin America regarding the U.S. interventionist attempts in the past--specifically in Nicaragua--because if there is U.S. intervention against El Salvador, not only the Nicaraguan people but all Latin America will feel attacked."

PLANS TO REFINE MEXICAN CRUDE UNDER DISCUSSION

PA291956 Panama City ACAN in Spanish 1723 GMT 29 Jun 80

[Text] Managua, 29 Jun (ACAN-EFE)--Mexican oil can be refined in this capital, according to studies, Comdr Daniel Ortega, member of the governing junta, announced.

In exclusive statements to ACAN-EFE, the Sandinist commander said that a recent study revealed that the Mexican crude can be processed at the Managua refinery. Previous reports claimed the Mexican oil could not be refined in this capital, which would have made it difficult to supply Mexican crude to Nicaragua.

Presently, a ranking delegation headed by Sergio Ramirez, member of the Nicaraguan reconstruction junta, is about to complete a visit to Mexico, during which the aspect of Mexican cooperation in energy matters was discussed. Mexico made a standing offer to supply Nicaragua with 14,000 barrles of oil daily. At present, Nicaragua consumes reconstituted crude from Venezuela.

JUNTA MEMBERS POSTPONE VISIT TO COSTA RICA

PA261343 San Jose Radio Reloj in Spanish 1200 GMT 26 Jun 80

[Text] The visit of the two new Nicaraguan junta members, Arturo Cruz and Rafael Cordova Rivas, scheduled for Monday has been postponed. Although no reasons were given for the change, Foreign Ministry sources reported that a note in this regard had been received from the Nicaraguan Government.

BORGE DENIES GIVING FINANCIAL HELP TO COSTA RICAN

PA261735 Managua BARRICADA in Spanish 22 Jun 80 pp 1, 5

[Text] Tomas Borge, commander of the revolution and interior minister, has denied that he is giving financial help to Costa Rica's former Public Security Minister Juan Jose Echeverria Brealey who is campaigning for political office in that country. Borge said that he has no way of obtaining funds to finance a politician like some press agencies, ACAN-EFE among them, have done.

The interior minister said that Sandinists do not interfere in the domestic affairs of other nations and that those reports are apparently aimed at harming Echeverria's quest for the nomination.

Borge admitted that he and Mr Echeverria are friends. But said that this had nothing to do with alleged financial aid for Echeverria's campaign.

Borge said: "As an individual, I have no money. As a public official, I am not going to use the nation's funds for something of that nature."

STATE COUNCIL APPROVES BILL ON OIL PRICE HIKE

PA261703 Managua Radio Sandino in Spanish 0300 GMT 26 Jun 80

[Text] The State Council has approved a draft bill submitted by the government junta. This afternoon the State Council approved a draft bill seeking to regulate the price of fuel in conformity with the new increases decreed by OPEC.

As is known, at an average of 3 months OPEC revises the price of oil and establishes new prices, which are also taken advantage of by the oil transnationals to increase their fabulous profits. This causes a great negative impact on the economies of countries, such as ours, which do not have petroleum and have to buy the product at the fixed price.

The draft bill submitted by the government junta establishes that the increases have repercussions, above all, in the budgets of the private vehicle owners. In the case of collective transportation, both urban and rural, the central government will assume the price differences, increasing the subsidy which it grants so that the tariffs on this type of transportation will remain unchanged.

The draft bill was approved with some modifications, specifically in suggesting to the junta that they seek the respective mechanisms to standardize prices throughout the country. Originally, different prices had been contemplated for different regions in conformity with the geographic divisions. In the same manner, four motions were incorporated. One is that efforts be made with the USSR for the sale of petroleum at preferential prices. Second, that the search of energy resources in our country be stimulated. Third, that the possibility be studied of adapting vehicles so that they can use gasohol, which is a cheaper fuel than gasoline; fourth, that the use of state vehicles be regulated.

The draft bill passed to the committee for its consideration and decision.

PLAN TO DRAFT NEW LABOR CODE APPROVED

PA261524 Managua Radio Sandino in Spanish 0300 GMT 26 Jun 80

[Text] In this afternoon's session, the State Council approved a motion to draft a new labor code to replace the one now in effect.

The suggestion was made when the plenary session heard a Labor and Social Security Committee report on a draft bill to abolish article 116 of the present labor code, which authorizes the firing of employees without justification, with only the payment of 1 month's severance pay.

Representatives of the Sandinist Labor Central, the Sandinist National Liberation Front Inter-Union Committee and other organizations pointed out that the basic problem lies in the fact that the present labor code was drawn up with notorious classist flavor, mostly benefiting the dominating classes, and that in many aspects it was obsolete.

The people's representatives further pointed out that patching up the present labor code is not the best way of legislating in favor of the people and that therefore, these labor laws must be submitted to total revision and new laws must be drafted.

Finally, the motion was approved for a total revision of the present labor code and the drafting of a new labor code. The task was assigned to the State Council Labor and Social Security Committee, which was given 15 days to report on its activities.

GOVERNMENT JUNTA NATIONALIZES U.S.-OWNED FACTORY

FL271039 Havana Domestic Service in Spanish 1000 GMT 27 Jun 80

[Text] Nicaragua's Government Junta of National Reconstruction has nationalized the (Brooks, S.A.) factory, a U.S. company which processes sea products. The decision was made in response to the management's maneuvers aimed at bankrupting it. In recent months several shops were closed under the pretext that they were not profitable. The unit has been assigned to the National Fishing Institute, and in coming months production will be stepped up to its maximum capacity.

BRIEFS

AMBASSADORS' CREDENTIALS--The ambassadors of Argentina and Switzerland presented their credentials to the government junta this morning. Argentine Ambassador Marcelino (Tumuro Lastra) conveyed greetings from his country's president. Swiss Ambassador (Max Gaisensen) presented his credentials second. [Managua Radio Sandino in Spanish 0300 GMT 26 Jun 80 PA]

NETHERLANDS LOAN--The Netherlands Ministry of Development Aid has granted Nicaragua a $16-million loan to redress our country's balance of payments. Nicaraguan Foreign Ministry sources also reported that the Netherlands donated $5 million to the literacy crusade. [Managua Radio Sandino in Spanish 0300 GMT 26 Jun 80 PA]

OIL CONSUMPTION COSTS--Oil price hikes naturally affect oil byproducts. Therefore, they hurt the economy of countries such as ours which have to import oil. Oil will cover 21 percent of our imports in 1980, while we will earn only $172 million in coffee revenue. This means almost all our dollars will go toward buying oil. [Managua Radio Sandino in Spanish 1200 GMT 26 Jun 80 PA]

GRANMA REPORTS 2-DAY MARIEL DEPARTURES, ARRIVALS

26 Jun Total

FL271734 Havana Domestic Television Service in Spanish 1700 GMT 27 Jun 80

[Text] The daily GRANMA, official organ of the PCC Central Committee, reports in today's third edition that yesterday 100 antisocial elements departed the port of Mariel for the United States. By the time the edition went to press, 10 vessels from Florida remained in port. In closing, the GRANMA note reports that two vessels arrived from the United States yesterday.

27 Jun Total

FL281737 Havana Domestic Television Service in Spanish 1700 GMT 28 Jun 80

[Text] GRANMA, official organ of the Communist Party of Cuba Central Committee, reports in its third edition today that 85 antisocial individuals left Mariel port yesterday for the United States. As the edition went to press, eight boats from Florida were at the port. GRANMA's report adds that no boats from the United States arrived in Mariel yesterday.

CASTRO CALLS FOR NONALIGNED SOLIDARITY WITH ANGOLA

PA291921 Havana International Service in Spanish 1800 GMT 29 Jun 80

[Text] Fidel Castro, president of the nonaligned nations movement, sent a message to the chiefs of state of the nonaligned movement exhorting them to express their firm solidarity with the People's Republic of Angola, which since 7 June has been suffering aggression from South Africa's racist regime.

The message notes that the South African aggression, sowing death and terror on Angolan territory, coincided with the recent actions announced by the United States to eliminate the legal restrictions that presumably kept Washington from intervening in the internal affairs of Angola and help the Angolan counterrevolutionary groups.

Fidel Castro adds in his message that it is necessary for the nonaligned nations, in compliance with the decisions of the Sixth Summit Meeting, to express their firm solidarity with Angola, condemn the South African aggression, support the imposition of sanctions against the Pretoria regime and afford material, moral and political help to the Angolan people.

AMENDED 1976-80 TRADE PROTOCOL WITH USSR RATIFIED

FL271454 Havana Domestic Service in Spanish 1414 GMT 27 Jun 80

[Text] Rene Anillo Capote, minister of foreign relations ad interim of the Republic of Cuba, and Vitaliy I. Vorotnikov, ambassador extraordinary and plenipotentiary of the USSR to our country, yesterday exchanged the instruments of ratification of the protocol signed in Moscow on 1 February 1979. The protocol deals with the partial modification of the agreement for determining prices in trade between Cuba and the USSR for the period 1976-1980, which was signed in Moscow on 6 February 1976.

Present at the ceremony were German Amado Blanco and Pelegrin Torras, vice minister of foreign trade and foreign relations, respectively, officials of the Soviet Embassy in Cuba and other Foreign Ministry officials.

After signing the documents, Rene Anillo and Vitaliy Vorotnikov exchanged speeches in which the ties of friendship and brotherhood uniting our peoples and governments were ratified.

USSR DEPUTY FOREIGN TRADE MINISTER VISITS

FL272207 Havana Domestic Service in Spanish 2130 GMT 27 Jun 80

[Text] Guillermo Garcia Frias, vice president of the councils of State and Ministers and minister of transportation, has received the Soviet deputy foreign trade minister, N.N. Smel'yakov. Matters of interest were discussed at the meeting concerning mutual merchandise deliveries. Also discussed were specific aspects concerning Soviet transport equipment.

SCIENCE-TECHNOLOGY COOPERATION PROTOCOL WITH PDRY SIGNED

FL281211 Havana Domestic Television Service in Spanish 0000 GMT 28 Jun 80

[Text] A scientific-technical cooperation protocol between Cuba and the People's Democratic Republic of Yemen [PDRY] was signed today by Mr Haydar Abu Bakr al-'Attas, member of the PDRY Socialist Party Central Committee, and by Jorge Fernandez Cuervo, minister of fishing industry. The protocol provides for cooperation in education, transportation, agriculture, construction, fishing and the light and steelworking industries and it will be in effect for 1 year.

The Yemeni delegation headed by Mr Hayder Abu Bakr al-'Attas had participated for the past few days in the 2d Cuba-PDRY intergovernmental session on economic and scientific-technical cooperation.

CEMA MEETING ON MONETARY-FINANCIAL AFFAIRS ENDS

FL271806 Havana Domestic Television Service in Spanish 1700 GMT 27 Jun 80

[Text] Within the framework of the 38th meeting of the CEMA Standing Committee for Monetary-Financial Affairs, which concluded this morning at the Palace of Conventions, the international investments bank granted Cuba a credit for 15 million transferable rubles, some $20 million, which includes part of the financing of three sugar mills. The construction of the mills forms part of the long-term development program of our sugar industry.

During the working sessions of the standing committee, monetary-financial matters dealing with the complex program of future deepening and improvement of cooperation as well as development of the socialist economic integration of CEMA member countries were taken up by the participants. Topics related to the future strengthening of the role of the collective currency, the transferable ruble, and the improvement of noncommerical payments were also discussed.

The working sessions were chaired by the Soviet Union's Deputy Minister of Finance Stanislav M. Borisov.

MALMIERCA ARRIVES IN ROMANIA ON OFFICIAL VISIT

For reportage on the official visit to Romania of Foreign Minister Isidoro Malmierca Peoli, see the Romania section of the 27 June Eastern Europe DAILY REPORT and subsequent issues.

BARBADOS

ADAMS HOLDS PRESS CONFERENCE ON RETURN FROM PRC

FL281435 Bridgetown ADVOCATE-NEWS in English 25 Jun 80 p 1

[Text] Barbados has obtained an aid package "running into a few million dollars" from the People's Republic of China to help advance the Caribbean island's export agriculture and expand and improve culture and sports. Speaking at an airport press conference on his return from an eight-day official visit to China yesterday, Prime Minister Mr Tom Adams, said that the assistance, both financial and technical, was part of a wideranging five-year accord and exchange of letters of understanding. It was worked out between the Barbados delegation and the Chinese leadership. Mr. Adams said that the Chinese Government had granted Barbados an interest free loan to set up facilities and purchase equipment for a new gymnasium and an indoor sports centre. China also agreed to provide new varieties of vegetable seeds for agricultural trials and send technologists to train Barbadians in developing non-sugar agriculture, particularly in vegetables, cereals and grains. Barbados in turn agreed to assist China with developing a sugar industry from cane and a viable tourist industry. Mr Adams said that the Chinese had good potential for tourism with their rich heritage and culture forming a basis for a vibrant industry. However, details of the pact were still to be hammered out between the Chinese Embassy in Bridgetown and the Agriculture and Culture ministries of Barbados. To this end a group of Chinese experts were due in Barbados in a few weeks to join in feasibility studies for projects. The prime minister observed that at the national level China had made great strides in feeding its 900 million population. Furthermore, China exported food to Hong Kong and only imported grains. He said that Barbados was aiming for expansion of export agriculture and therefore needed China's technical knowledge to boost the spring hall and integrated rural development projects. Mr Adams added that China has a wetter agriculture and Barbados wants better ideas of irrigation methods for adapting to the latter scheme which will help enhance non-sugar agriculture in the drier south section of the island. His nine-member delegation which included minister of agriculture, Mr Lloyd B. Brathwaite, was mostly impressed with the care and intensity of Chinese agriculture. He was amazed at the immaculate fields of rice, fruit, citrus, every conceivable vegetable and fields of wheat. China will also co-operate with Barbados in health, sports, community development education and the media, Mr Adams added. This is all part of the cultural arrangement. Two way exchanges, team visits, and coaching plans are still to be finalised. But in general, the Chinese will assist Barbados in producing better players in volleyball, basketball, table-tennis and gymnastics.
Mr Adams feels that Barbados has a lot to gain from the exposure of Barbadians to the oldest surviving culture in the world--that of the Chinese. He hinted at a possible joint venture funded by the Chinese and Barbadian governments to establish recreational facilities similar to the Children's Palace where Chinese children are learning such subjects as music, model plane flying, and the firing of miniature space rockets. Mr Adams disagreed with a reporter's suggestion that the friendship between Barbados and China could mean cold shouldering by Barbados of its regional economic partners or geographical neighbours. He said his delegation had a totally successful visit during which Barbados and China also reached consensus on international issues including Belize's right to selfdetermination without ceding land to neighbouring Guatemala.

JAMAICA

PRIME MINISTER MANLEY ADDRESSES SUPPORTERS' RALLY

FL272342 Havana Domestic Service in Spanish 2300 GMT 27 Jun 80

[Text] Thousands of persons gathered last night in a Kingston square to demonstrate their support for Jamaica's constitutional government headed by Prime Minister Michael Manley.

Addressing the crowd, Manley denounced the coupist maneuvers and called on progressive forces to defend the Constitution and democratic institutions. He severely criticized the attitude of opposition leader Edward Seaga, who has repeatedly said in the United States that the coup attempt was a joke, thus trying to make light of the problem. As Manley reported on the charges against those involved in the coup, the excited crowd demanded severe punishment for the conspirators, including the death penalty for the leaders.

It was learned in Kingston that a Jamaican court-martial will try all the army members who participated in the aborted plot against the government. A note released by the army chief of staff, Brig Robert Neish, says that the 26 military men involved were found guilty of violating section 75 of the Defense Act and violating army order and discipline.

SEAGA 'DEEPLY SUSPICIOUS' OF THWARTED COUP

FL271420 Kingston DAILY GLEANER in English 24 Jun 80 p 1

[Text] Washington, June 23 (CANA-REUTER)--Jamaica's opposition Labour Party leader said today he was deeply suspicious about the abortive coup reported to have been thwarted by the government of Prime Minister Michael Manley.

Opposition leader Edward Seaga also denounced what he called attempts by Manley's government to implicate him in the alleged plot.

"We are not denying that some conspiracy has taken place," Seaga, who was visiting the United States when the alleged coup was revealed, told reporters.

He suggested that the prime minister was attempting to use the incident as a political weapon to try to avert an overwhelming defeat in the September elections.

In Kingston, government sources reported that Jamaica security forces had detained an opposition politician and about 20 soldiers who were planning to stage a military coup.

The sources said those detained included Charles Johnson, leader of the small Jamaica United Front Party.

Seaga said the Jamaica United Front Party was one of several third parties in Jamaica which commanded no more than one per cent of the country's political following and which he said had never even held a public political rally.

"We are deeply suspicious of the orchestration that has taken place in the announcement of this coup...that all of this could have taken place spontaneously without preplanning," he said. "Our suspicions have been aroused as to the whole genesis of what took place."

He said the government might be trying to set the stage for ordering a state of emergency, an action he said was used with political effectiveness before the 1976 election.

"It is possible that a state of emergency, being the ultimate intent of the government, would be declared based upon this frivolous attempt." Seaga said, "I have to call it frivolous because the capacity of that party, with a small number of persons, to instigate and carry out any such thing as a coup must be regarded as a comic opera."

He added: "If such a state of emergency were declared, we would defy it."

JLP ISSUES STATEMENT OPPOSING COUP ATTEMPTS

FL271415 Kingston DAILY GLEANER in English 24 Jun 80 pp 1, 13

[Text] The opposition Jamaica Labour Party said yesterday it would "reject, condemn and repudiate any attempt to overthrow the government." A statement from party headquarters issued through General Secretary Bruce Golding said the JLP would support the government "in any genuine, constitutional efforts to crush any such attempt." The statement went on to say, however, that if the developments announced after the prime minister's broadcast Sunday night "constitute a conspiracy to discredit the opposition and to impose another politically motivated state of emergency so that foreign troops can be brought in to suppress the will of the people, the JLP wishes to make its position unmistakably clear that it will not recognise nor accept any such political state of emergency".

Boycott Suspended

The JLP has also decided to suspend temporarily its boycott of Parliament in view of the development and will attend today's sitting of the House of Representatives. Opposition leader Edward Seaga who went to New York on Saturday is to come back home today to attend the house. The statement from party headquarters was as follows: "The Jamaica Labour Party calls on the nation at this time to be extremely alert in the face of the mysterious and unprecedented developments which have taken place within the last twenty four hours." "The startling announcement last night that a plot to overthrow the government had been uncovered, created a great deal of alarm and concern throughout the island. In an initial response made by Deputy leader Pearnel Charles, the JLP emphasized that it had absolutely no knowledge of this alleged coup and would never allow itself to be even remotely involved in any attempt to remove the government other than by the democratic, constitutional process.

Massive Support

"The Jamaica Labour Party wishes to reiterate at this time that it has never, does not and will never countenance any attempt to overthrow this or any other government. The JLP now commands an unassailable margin of popular support as has been confirmed in polls conducted by Dr. Carl Stone, by the JBC [Jamaica Broadcasting Corporation] and DAILY NEWS and by the PNP [People's National Party] Secretariat itself. "Subsequent polls indicate that as we draw nearer to elections, the massive support which we now enjoy is increasing. It is clear, therefore, that the Jamaica Labour Party has no need to plan any coup even if we were ever so inclined. Indeed, the Jamaica Labour Party would strongly condemn and resist any attempted coup whether initiated by frustrated leaders of irrelevant third parties or by misguided members of the security forces. Indeed, in such circumstances, the Jamaica Labour Party would unhesitantly stand behind the government to defeat any such attempt to subvert the Constitution. "However, as the JLP analyses the recent developments particularly as they relate to previous events and to the pattern of activity over a period of several months, there is great cause for concern as to what are the true facts behind the alleged coup and what is the real motive behind it. "The nation must take note of the blatant orchestration with which the announcement of the plot was handled by the government and its agents at the JBC and API [Agency for Public Information]. In his nationwide broadcast last night, the prime minister used his entire speech in a devious and malicious attempt to associate the JLP with subversive activities.

Whittingham's Case

"He went so far as to quote from the unsubstantiated documents allegedly found in Peter Whittingham's brief case in 1976--an issue which the prime minister has studiously avoided for the last four years because of the fact that it is known to be a lie.

The prime minister's broadcast was carried although, on his own admission, he had knowledge of the alleged coup at the time that the broadcast was being recorded. The prime minister's broadcast had been preceded by a lengthy propaganda documentary on the Grenadan revolution in which the same web of subversion and conspiracy was carefully spun. "Shortly after midnight last night, a special API programme was broadcast on RJR [call letters for Radio Jamaica Ltd.] in which Mr. Hugh Small and Mr. Arnold Bertram were interviewed on the subject of killing of Walter Rodney and the both used this as an opportunity to attack JLP and to peddle the lie of the JLP being involved in reactionary activities. By 2.00 a.m. JBC was able to broadcast a statement from the Communist Workers Party of Jamaica condemning the alleged coup and calling for the reinstatement of Dudley Thompson as minister of national security to "take charge of the investigations".

"By 2.30 a.m., JBC was able to carry the voice of Maurice Bishop all the way from Grenada condemning the alleged coup and charging responsibility for it to the CIA and 'its local stooges'. All these circumstances suggest a great deal of stage management in the handling of the matter. "The country must also be told that the army officers who have so far been detained are closely associated with a senior military officer in connection with whom of the JLP had occasion to write to the chief of staff some months ago informing him of reports it had received that this officer had been having secret meetings with a high ranking official of the PNP. In addition, the JLP has been informed that several of the soldiers detained were heard on frequent occasions espousing communist ideology and at least one of them was known to have received training in Cuba.

Who Are Behind It?

"The country must now ask itself the question as to which persons are really behind the alleged coup? Was the coup designed to be discovered so that an excuse would have been created for a state of emergency and for the military solution which the JLP has exposed and already discredited? What is the significance of Dudley Thompson sneaking off to Cuba last week? What is the significance of the Cuban ambassador sending his wife and children out of the country on a special chartered plane? "The JLP notes that in recent weeks, the PNP has intensified its campaign of lies and personal attacks against the leader of the opposition. This can only have the effect of putting Mr. Seaga's life in grave danger. In fact, the JLP received information two days ago that an assassination attempt was to be made on Mr. Seaga during his current visit overseas to attend fund raising functions sponsored by the Jamaica Freedom League. This information was conveyed to Mr. Seaga immediately and he was advised to exercise extreme caution while he is away.

State of Emergency

The JLP is continuing its investigation into all the facts and circumstances surrounding this frightening incident. We call on the nation to remain calm but alert and to be reassured that the JLP will leave no stone unturned in determining the true nature of the events which the country is witnessing. "The JLP takes note of the fact that conspiracies of this kind, camouflaged to disguise their real motive and to thwart imminent electoral defeat, are the tools prescribed and promoted by Cuba and other communist countries. The JLP takes note of the inextricable alliance bordering on subversion which has been established between the PNP and the revolutionary Government of Cuba. The JLP also notes that certain communist elements within the PNP have publicly declared that they have gone "underground" and that they will never give up power even if it means "pain, blood or even death". The JLP will reject, condemn and repudiate any attempt to overthrow the government and will support the government in any genuine, constitutional efforts to crush any such attempt.

However, if these latest developments constitute a conspiracy to discredit the opposition and to impose another politically motivated state of emergency so that foreign troops can be brought in to suppress the will of the people, the JLP wishes to make its position unmistakably clear that it will not recognize nor accept any such political state of emergency. "The JLP is continuing its investigations and we will make ourselves available to the security forces for any assistance which we can offer to them in their own investigations. "The leader of the opposition who is in constant touch with party headquarters on the situation is curtailing his overseas trip and returning home to deal with this latest development. Mr. Hugh Shearer who is also off the island is due to return home shortly for top level consultations."

JDF'S NEISH REVEALS DETAILS OF FAILED COUP

FL271410 Kingston DAILY GLEANER in English 24 Jun 80 pp 1, 13

[Text] The Jamaica Defence Force disclosed yesterday that within the past few weeks it had discovered a plot to overthrow the government.

Chief of Staff Brigadier Robert Neish in a prepared statement read to reporters at JDF headquarters, Up Park Camp, said that three JDF officers, 23 other ranks and three civilians, including Jamaica United Front President H. Charles Johnson were detained on Sunday, following investigations.

The brigadier's announcement followed a statement from Prime Minister Michael Manley Sunday night about "an alleged conspiracy to commit certain acts detrimental to national security and subversive of the constitutional government of Jamaica".

The brigadier said that as soon as investigations were completed appropriate charges would be laid against those who had committed offences and they would be dealt with according to law.

"I wish to make it clear that I have not issued nor authorized the issue of the names of the detained persons to the press or any branch of the public media specifically because I do not propose that any of the detained persons should suffer undue prejudice especially in the event that all of them may be cleared by the investigation of any treasonable or other illegal or improper conduct", the brigadier said.

He gave the assurance that as chief of staff on behalf of his officers and other ranks "the loyalty of the Jamaica Defence Force as a whole to the constitutional authority and to the rule of law is unquestioned..."

He warned: "I will not hesitate to take all necessary and proper steps to ensure that this remains the case at all times."

The Statement

His statement follows:

"On Sunday, 22nd June, 1980, three officers and 23 other ranks of the Jamaica Defence Force were detained on my orders and this fact has formed the basis of news reports on the air and in the press yesterday evening and today.

"It is therefore important that the public at large should be informed on the subject as early as possible and as fully as possible in order to prevent either misunderstandings or undue speculation.

"The facts are that within the past few weeks I received information that contact had been made by a civilian with a member of the J.D.F., with a view to the implementation of a plan designed to overthrow the constitutionally elected government of Jamaica.

"In consequence, careful and regular surveillance has taken place within the J.D.F., and both the prime minister and the police were made aware of the fact in the early stages.

"During the week-end, my information had reached the point where I considered it necessary to take action in order to ensure that the projected plot could not be implemented. The information confirmed that a number of members of the J.D.F. were now implicated and that the plot would result in action being taken in the early hours of Monday morning, June 23rd. Certain precautionary measures were immediately instituted by me. I consulted with the commissioner of police and on the basis of our discussions we sought audience with the prime minister on Sunday afternoon.

Late Meeting

"At this meeting, I outlined the situation to the prime minister and the acting minister of national security and indicated the action I was taking. It was arranged to meet again later that evening. At approximately 7.30 p.m., the commissioner of police and I met the prime minister and acting minister of national security and gave a full report of the position.

"The persons in question and the allegations made against them are now under investigation and as soon as those investigations have been completed appropriate charges will be laid against those who have committed offences and they will be dealt with according to law.

"I wish to make it clear that I have not issued nor authorized the issue of the names of the detained persons to the press or any branch of the public media specifically because I do not propose that any of the detained persons should suffer undue prejudice especially in the event that any of them may be cleared by the investigations of any treasonable or other illegal or improper conduct.

"I should also like to make it clear that in the process of detaining the persons mentioned, no shooting took place whether at the Sombrero Club, as was stated in news reports, or anywhere else.

"As for the civilian who has been reported to have been detained, the civil authority will doubtless inform the public about him and his part in the matter.

"I should also like to make it clear that, contrary to a newspaper report, my actions and those of the J.D.F. taken to thwart the plan were not prompted by any foreign or external connection whatsoever whether by information or otherwise.

Co-operation Sought

"In the circumstances, I would sincerely ask for the co-operation of the public at large, the press, the media in general, and all the political parties in refraining from ill-informed speculation, propagating and spreading rumours and attempting to implicate persons and political parties in events of which they have insufficient information. This can only lead to unwarranted concern and alarm and make more difficult the task of the Jamaica Defence Force in assisting the Jamaica Constabulary Force in maintaining law and order in our country.

"Finally, the nation is entitled to know and to be assured by me as chief of staff on behalf of my officers and other ranks that the loyalty of the Jamaica Defence Force as a whole to constitutional authority and to the rule of law is unquestioned and I will not hesitate to take all necessary and proper steps to ensure that this remains the case at all times.

"Please be assured that I shall keep the government and people of Jamaica fully advised when the investigations have been completed."

Seven Soldiers Charged

FL271839 Nassau Domestic Service in English 1700 GMT 27 Jun 80

[Text] Seven soldiers of the Jamaica Defense Force have been charged [words indistinct] in connection with the alleged plot to overthrow the government of Jamaica's Prime Minister Mr. Michael Manley. The announcement was made last night by a Jamaica army chief of staff who said that the names of those charged would not be released immediately. The chief of staff said that the charges would be dealt with by a court martial, except where civil charges were preferred. Nineteen others are being detained as investigations continue.

MOONEX MANAGER HART ARRESTED, CHARGED

FL271405 Kingston DAILY GLEANER in English 24 Jun 80 p 1

[Text] Ruperto Hart Smith, manager of Moonex International Establishment in Jamaica, was arrested yesterday by the CIB [Criminal Investigation Branch] on two breaches of the Customs Act and two counts of the Firearm Act.

Hart, who according to Mr. Dudley Thompson, had been warned for prosecution in May, and on whom a "stop order" was enforced by immigration officers at the Norman Manley International Airport Thursday, preventing him from travelling to Cuba on a private plane on which National Security Minister Dudley Thompson was a passenger, was ordered remanded in custody until June 30.

He is charged under the Customs Act with being concerned with the importation of ammunition, and importation of ammunition, [as published] and under the Firearm Act with importing a quantity of ammunition into Jamaica except under terms and conditions of a firearm permit and attempting to trans-ship ammunition into Jamaica without requisite trans-shipment permit.

Hart, for whose company 200,000 shotgun cartridges had arrived here on May 5 from Miami in a container without an import licence, was on an Immigration Department "watch list."

The shotgun cartridges were ordered detained by the collector general's department and they are under guard at Jamaica Defence Force headquarters, Up Park Camp, Kingston. Moonex International Establishment is reported to be a Cuban agency of Panamanian registry with offices in New Kingston and the Kingston Free Zone.